

**TUESDAY, 3 SEPTEMBER 1996**

Mr SPEAKER (Hon. N. J. Turner, Nicklin) read prayers and took the chair at 9.30 a.m.

**ASSENT TO BILLS**

**Mr SPEAKER:** I have to inform the House that I have received from Her Excellency the Governor a letter in respect of assent to certain Bills, the contents of which will be incorporated in the records of Parliament—

"GOVERNMENT HOUSE

QUEENSLAND

19 August 1996

The Honourable N. J. Turner, M.L.A.  
Speaker of the Legislative Assembly  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Speaker

I hereby acquaint the Legislative Assembly that the following Bills, having been passed by the Legislative Assembly and having been presented for the Royal Assent, were assented to in the name of Her Majesty The Queen on 15 August 1996:

- \* "A Bill for an Act to amend the *Queensland Law Society Act 1952*, and for related purposes"
- \* "A Bill for an Act to amend the *Juvenile Justice Act 1992*, the *Corrective Services (Administration) Act 1988* and for other purposes"
- \* "A Bill for an Act to amend the *Electricity Act 1994*"
- \* "A Bill for an Act to authorise the making of an agreement amending the agreement made under the *Central Queensland Coal Associates Agreement Act 1968*"
- \* "A Bill for an Act to amend the *Financial Administration and Audit Act 1977*, and for other purposes"
- \* "A Bill for an Act to amend the *Egg Industry (Restructuring) Act 1993*, and for other purposes"
- \* "A Bill for an Act about the Queensland tobacco industry, and for other purposes"
- \* "A Bill for an Act to provide for the regulation of cooperative housing

societies, terminating building societies and The Cairns Cooperative Weekly Penny Savings Bank Limited, and for other purposes"

Yours sincerely

(Sgd) Leneen Forde

Governor"

**MOTION OF CONDOLENCE****Death of Dr N. R. Scott-Young**

**Hon. R. E. BORBIDGE** (Surfers Paradise—Premier) (9.32 a.m.), by leave, without notice: I move—

"1. That this House desires to place on record its appreciation of the services rendered to this State by the late Dr Norman Reginald Scott-Young, a former member of the Parliament of Queensland.

2. That Mr Speaker be requested to convey to the family of the deceased gentleman the above resolution, together with an expression of the sympathy and sorrow of the members of the Parliament of Queensland, in the loss they have sustained."

Norman Scott-Young was born on 8 January 1917 in New South Wales, the son of Reginald, a manufacturer's agent, and Mary Crotty. Educated in New South Wales at Marist Brothers in North Sydney, and Saint Ignatius College, he went on to study medicine at the University of Sydney.

Dr Scott-Young had a long and distinguished medical career. He became a Fellow of the Royal College of Surgeons in England in 1951, a Fellow of the Royal Australian College of Surgeons in 1958 and a Fellow of the Australian College of Medical Administrators. He was resident medical officer of the Prince Alfred Hospital in Sydney in 1941, senior resident pathologist in 1946, and surgical associate in 1947. In 1948 Dr Scott-Young was a teaching fellow with the Department of Physiology, University of Sydney, and in 1949 he was the surgical registrar at the Broken Hill District Hospital.

Dr Scott-Young was awarded the Craig Travelling Scholarship to London in 1951 and 1952. He then became the superintendent of the Townsville General Hospital for 18 years and consulting surgeon from 1970 to 1976. Whilst he was superintendent of the Townsville General Hospital, he met Olive Johnstone. They married in February 1960 and later had eight children—Patricia, Matthew, Margaret, Natalie, Erica, Samuel, Olivia and Phillipa.

Dr Scott-Young also had an impressive military record, serving in the Second Australian Imperial Force Royal Australian Air Force Medical Corps in New Guinea and Borneo from 1941 to 1946, and the Citizen Military Forces from 1948 to 1958. He was also leader of the Vietnam surgical team in 1968-69.

Throughout his long and full life, Norm Scott-Young was interested in sport of all kinds, particularly boxing. During his military service he fought from middleweight to heavyweight and won an Army divisional championship. He was also runner-up in the New South Wales State heavyweight titles at the age of 32. Later in his life, Dr Scott-Young became involved with soccer, becoming patron of Townsville Junior Soccer, the Olympic Soccer Club and was a member of the Queensland Junior Soccer Council and director of the Townsville United Soccer Club.

Throughout his life, Norm Scott-Young was also involved in a range of community interests. He was involved in the Castle Hill Scout Association, the Blue Nursing Association and the Italo-Australian Association. He was also vice-patron of the Surf Lifesaving Association, North Barrier branch.

From 1967 until 1972 Dr Scott-Young was actively involved in the Townsville area, as both an alderman of the Townsville City Council and as a member of the Townsville Harbour Board. In 1972 Dr Scott-Young was elected as the Liberal member for Townsville, holding this seat until 1983. During his time in this place, Dr Scott-Young dedicated himself to the service of his constituents and proved himself to be a hardworking and efficient member with strongly held views and principles.

He is survived by his wife and children and their children. On behalf of the Parliament, I extend my sympathy and that of this House to them.

**Mr BEATTIE** (Brisbane Central—Leader of the Opposition) (9.36 a.m.): I rise to second the condolence motion moved by the Premier. In doing so, and on behalf of the Opposition, I express our condolences to the Scott-Young family.

Dr Norman Scott-Young was not only a respected surgeon and the medical superintendent of the Townsville General Hospital for 17 years between 1953 and 1971, but he was also a person of considerable character and strength. In 1977 Dr Scott-Young threatened to resign from the Liberal Party because of disillusionment with

the politics played by his coalition partners. I remember him very well and I recall many of the very strong statements that he made during his time in this House and outside this House. On an occasion such as this, I think it would be appropriate to remember some of those statements.

Dr Scott-Young was outspoken to the extent that he was convinced that the Premier at the time, Sir Joh Bjelke-Petersen, had fought one fight too many. He said—

"Joh is exactly the same as in the fight game, you should know when to get out—you should not lose your last fight."

He also said—

"The longer you stay, the more you think you know . . . I have seen six round boys get their thoughts and reflexes belted out of them."

He likened the State Cabinet of the time to the Mafia. He asked the Liberals to consider withdrawing from the coalition until they could deal with a more satisfactory man than Bjelke-Petersen. In 1979 he described Bjelke-Petersen as a power-drunk and imbalanced egotist with little insight into his own condition. He added, "This is not a political opinion, it is a medical one."

If Dr Scott-Young had been nominated for the position of Speaker in March 1981, the ALP would have supported him because of our respect for him. Unfortunately, he did not nominate.

I am advised by members who served in the House at that time that in fact three doctors then served in the Parliament. If anyone was in any way affected by an illness—be it flu or whatever—he or she had no difficulty getting a prescription. In fact, I am reliably informed that a prescription book was kept near the bar. Therefore, if anyone was in need of a prescription to take to the chemist, Dr Norm Scott-Young or one of the other two doctors also serving in the House at that time had no difficulty issuing a prescription. On this occasion I lament the fact that we do not have a doctor in the House. Perhaps in future another doctor can carry out the role that Dr Norm Scott-Young carried out when he was a member of Parliament.

Dr Norm Scott-Young and, indeed, his wife Olive were very strong personalities. At a time when I held another position, I recall seeing a very prominent photo of Mrs Scott-Young highlighting the problems with roads in Townsville by sitting in a large pothole, thus demonstrating the need for Government funds. The Scott-Young family

has been very outspoken and very committed to public life in this State. Even though Dr Scott-Young was 79 at the time of his passing, he will be well remembered by the Queensland community and by this House. I pass on the condolences of the Opposition.

**Hon. J. M. SHELDON** (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (9.39 a.m.): Dr Scott-Young was a community man first and foremost. He served from 1972 until 1983 as the Liberal member for Townsville, after serving as a Townsville City Council alderman for five years beforehand. His longstanding career in the medical field was balanced by extensive community service, involving everything from the scouts to the Blue Nurses and surf-lifesaving. His life was marked by great courage, both personally and politically, and he was a former Army commando and boxing champion.

Dr Scott-Young saw more than five years as a medical officer with a commando unit which suffered very heavy losses during combat in World War II in New Guinea and Borneo. He also continued his boxing career, fighting up from middleweight to heavyweight, until being instructed by a general that officers did not fight and giving up boxing until he left the armed services. His last major boxing achievement was being New South Wales State heavyweight runner-up at the age of 32. His position with respect to the AMA's opposition to the fight game would certainly be interesting to know now.

It was Dr Scott-Young's career in medicine which brought him to Townsville and which established him as such an important man in his local community. Dr Scott-Young was superintendent of the Townsville General Hospital for 17 years before he established a large medical practice in Townsville. Dr Scott-Young's community involvement included a great love of sport. He was patron of Townsville Junior Soccer, the Olympic Soccer Club and the Q Junior Soccer Council. He was vice patron of the Surf Lifesaving Association and a director of the Townsville United Soccer Club.

Dr Scott-Young was also a politician ahead of his time. He publicly criticised both his own party and his then coalition partners over three-cornered contests back in 1977. He had earned the tag "colourful", and was someone who had no hesitation in speaking his mind. His colourful views and independence endeared him to his Townsville electorate, if not always to his parliamentary colleagues. Dr Scott-Young was an ardent

advocate for north Queensland and often fought for more and better representation, services and infrastructure in the north. I offer my condolences to Dr Scott-Young's wife, Olive, his eight children, and the many friends he has left behind.

**Hon. G. N. SMITH** (Townsville) (9.42 a.m.): I place on record my condolences to Olive and the Scott-Young family. Norm was a very big man, both physically and with respect to his wide interests in life. He was a truly multiskilled individual who, in a lifetime, was a tradesman, a doctor, a soldier, a sportsman and, finally, a politician.

My personal knowledge of Norm dates back to 1967, when he successfully led what was titled the Norm Scott-Young Team to sweeping success in the Townsville City Council elections, soundly defeating the longstanding council and its mayoral nominee. What was unusual about the team was that, while Norm lent his name to the group and was certainly the leading light and principal spokesman, he was not his team's mayoral nominee. That nominee was the lesser known "Lucky" Harold Phillips.

At the time of the council elections, the late Tom Aikens, the then member for Townsville South, was a Scott-Young associate, a great council hater and was somebody who at the time was influential in Townsville. On the Friday night before the poll, Aikens appeared on Townsville television and told the people of Townsville that their drinking water was collected from paddocks covered with cow manure. That telecast, together with the goodwill towards Norm Scott-Young, was almost universally judged to be the deciding factor in bringing about the demise of what was believed to be a solidly entrenched council.

I knew Norm particularly in the early seventies as a passionate supporter of the party and as someone who, with his wife Olive, was always prominent at the frequently rowdy political street meetings for which Townsville had a considerable reputation. I recall with some amusement the day he jumped off a street forum that he shared with then Premier Bjelke-Petersen to confront an interjector who alleged that he was overcharging pensioners for the rent of some residential properties. I well recall his very considerable victory in 1972 in what was then the new seat of Townsville.

He will probably be remembered best for his very public disenchantment with Premier Bjelke-Petersen during the late seventies. His expressions of disenchantment most certainly prevented him from being nominated for

ministerial rank in the Bjelke-Petersen Ministry. Having been successful in so many fields of endeavour, it was a bitter disappointment to him to realise that his ambitions would be denied forever. I got to know both Norm and Olive well after I was elected in 1980. On two occasions, I travelled overseas with him. As political neighbours, we had a good working relationship which improved dramatically as his disenchantment with his own party became more pronounced.

In conclusion, my continuing memory of Norm Scott-Young will be that he was a rare individual, a character larger than life, an honourable man who did not know about political correctness and who had the inclination to speak his mind when the occasion warranted it.

**Hon. D. E. BEANLAND** (Indooroopilly—Attorney-General and Minister for Justice) (9.45 a.m.): The simple family funeral notice for Norm Scott-Young in last Friday's *Courier-Mail* was a measure of how unique and special Norm was. The notice described his wife, Ollie, as his sparring partner and wife. Anyone who knew Norm, or who knows Ollie, would understand the true meaning of that expression. I was privileged to attend Norm's funeral at Mount Gravatt last Friday. What stood out was the tremendous loss that Ollie, Norm's two sons and six daughters felt, even though Norm had endured a cruel and debilitating illness for more than a decade. But their sadness was mixed with a wonderful sense of gratitude for his life and for his outstanding service to the community over many, many years. One of his daughters spoke very movingly about the long and difficult illness he had endured and also about the robust nature of the Scott-Young household when his children were growing up.

In every sense, Norm was a legend in north Queensland. Before he entered this Chamber in 1972, he was the north's foremost specialist surgeon. He was active and outspoken in community affairs, and he had taken time off from his position as the superintendent of the Townsville General Hospital to serve with the Australian forces in Vietnam in 1968 and 1969, just as he had served as a medical officer in the Australian Army in New Guinea and Borneo during the Second World War.

Given his legendary status, it was hardly surprising that our party worked overtime to persuade him to stand as the Liberal candidate for the newly created seat of Townsville at the 1972 State election. We had never held a seat in Townsville, and it was

universally accepted that with Norm as candidate we were certainties but, with someone else, only a rough chance. He accepted endorsement and went on to win the seat and hold it for almost 12 years. When he entered the House, he lost none of his drive or his fierce independence. The press clippings in the library and in *Hansard* record and confirm that beyond any doubt.

I have no doubt that his outspoken approach to political life prevented Norm from gaining a Ministry, even though he was eminently qualified for ministerial office. But that did not worry Norm, and I am certain it did not worry his wife and sparring partner, Ollie, who was outspoken in community life in her own right. They were a great team, and when Norm was asked on his retirement from medical practice in 1986 what the highlight of his career was, he unhesitatingly replied that it had been marrying Ollie.

Norm is survived by two sons and six daughters who have all been successful in their own careers. One son followed Norm into medicine and his second son, Sam, represented Australia and Queensland with great distinction in Rugby Union until he retired a couple of years ago. Anyone who follows Rugby Union would be aware that much of Norm's and Ollie's robust independence and fearlessness rubbed off on Sam.

The late Norm Scott-Young served the people of Townsville and north Queensland with great dedication and effectiveness for many years in his chosen profession of medicine, in politics and in community life. He also served the Liberal Party with loyalty and with enthusiasm, both as a party member for many years and as an elected member of Parliament for almost 12 years. Even in recent times, the Scott-Young family kept its links with the party. I was personally delighted that one of his daughters worked on my campaigns when I was elected to this House. I join with other speakers in extending to Ollie, his sons, his daughters and his grandchildren my sorrow at his passing and my gratitude for his wonderful life and service to the community he loved.

**Mr CARROLL** (Mansfield) (9.49 a.m.): I rise to add a couple of words about Dr Scott-Young, who was lately a resident in the electorate which I serve. I was interested to read a copy of a letter held by his family and signed by Lieutenant Colonel Fleay on 21 September 1945, when Dr Scott-Young and his commander were serving in Borneo with the Second Seventh Australian Cavalry Commando Regiment. The letter states—

"Throughout the whole of this time"—and that referred to the service during the war—

"he has performed his duties in a thoroughly capable and conscientious manner. His medical knowledge and treatment of all personnel has been such that he has become popular with and trusted implicitly by all ranks.

This has given an added confidence and they have gone into action knowing that capable medical assistance is always close at hand.

In addition to his medical duties, Capt. Scott-Young has taken a leading part in the sporting activities of this Regiment. He has personally supervised the training of athletes; and formed and captained the Regimental boxing team which was prominent in boxing contests held within 7 Aust. Div."

That was written some 51 years ago while they were serving in Borneo. Dr Scott-Young returned to the war zone in the late 1960s as a member of the Australian surgical team in Vietnam. It is plain that Dr Scott-Young was a very strong leader in all respects, as we have heard from the other contributions this morning.

Dr Scott-Young lived in retirement at Burbank in the electorate of Mansfield from 1990 until his death last Thursday, only four months short of the age of 80 years. He had suffered Parkinson's disease for some 15 years, broke a hip in November and eventually succumbed at his home last Thursday to a series of minor strokes. The family of this man speaks volumes about his life and his personality. They were absolutely dedicated to him. They cared for him at home, turning him on the hour and looking after him with great attention.

I was interested to see the reference in the funeral notice to "his sparring partner, Olive". The real background to that short phrase can be seen from an edition of the *Townsville Bulletin* in 1987. The article in question was written just days after Dr Scott-Young's retirement. He was asked about the highlight of his career, and he promptly answered, "Marrying Olive" with a broad grin. One only has to speak to his wife, Olive, to find the full meaning of that from a very close and loving family. She speaks fondly of the days when, yes, she did sit in a pothole to attract attention to the state of the roads. As she recalls, it was all good fun. Members of the Labor Party followed them round with an

end loader trying to keep Olive in the pothole if they could.

The late Dr Scott-Young came down to live in Brisbane to be with his children, to watch Sam play rugby and to be out at Ballymore whenever he could. I am told that there have been many phone calls offering tributes to his medical and military career. One interesting call was from a man who recalled that many years ago in Townsville at 2 o'clock one morning a man knocked at the door begging to be let in and begging to speak to Dr Scott-Young. Upon being allowed in, he said, "I want to do some exercise. I want to use your gym. I have just had a terrible argument with my wife, and if I do not get the energy out of me I am going to kill her." Olive reports that Dr Scott-Young sparred with this man in the backyard gym until both were exhausted, and the marriage, I gather, was resumed. For some 40 years, Dr Scott-Young had a gymnasium in his backyard. It was open to all and he encouraged them to use it. Dr Scott-Young was one of our great men. I join with my colleagues this morning in offering our sincere condolences to his family.

**Hon. M. J. HORAN** (Toowoomba South—Minister for Health) (9.53 a.m.): I join in this condolence motion for Dr Norm Scott-Young. My family and I knew him in his latter years. Unfortunately, he was not in particularly good health. The thing that struck me about him was the closeness of the family unit that Norm and Olive had with their eight children. In particular, I offer my condolences to Sam and his wife, Donna. Through football we knew Sam well, and we spent many a happy evening with the Scott-Young family at the Yeronga clubhouse of Souths Rugby Club after some of their games or premierships. I was always amazed at the closeness of that family and how through Sam's career—through the successes and the disappointments he had—they stuck together as a family unit.

The spirit of the Scott-Young family is probably best shown by the day that Sam, when playing for the Wallabies, stood in front of the All Blacks and eyeballed them while they did their haka. That put them right off the game. That was typical of the spirit that Sam inherited from his father and his mother. On behalf of my family, I convey sincere condolences to the Scott-Young family.

**Mr STONEMAN** (Burdekin) (9.55 a.m.): I join in this condolence motion for the late Norm Scott-Young, whom I came to know very well prior to his retirement to Brisbane from Townsville. When I first went to live on the

coast, Norm was our local member, so we often used to see him at the local Girus show. Every year he came down, and we got to know him very well. He was a great character, as members have indicated this morning. One of the things that will live on in the memories of many people in Townsville is the services that he provided in the community to people who were, if you like, less able to fend for themselves financially through providing consultation and surgery without sending them a bill. In fact, Ollie used to say that if Norm had only recovered a part of what he could have charged as a doctor and surgeon, they would be living in the lap of luxury. But that was not in Norm's character.

I remember being in Townsville on the occasion—and I think it is the occasion that the member for Townsville recalled this morning—when Norm jumped up on the back of a trailer in the main street. If I remember rightly, Norm was in his surgical whites. He was in the crowd, standing right alongside me. An interjection took place, and it was too much for Norm. As the member for Townsville said, he jumped up and leaped into the fray. Although the Premier was there and, as has been indicated, Norm did not have a great fondness for Joh, he was nevertheless not going to step backwards in a fight.

The great loyalty that Norm engendered in the community obviously came from his family as well. As other members have said, they are a very close-knit family and set an enormous example to the community. I recall well how when some of the kids were a bit younger they were sent to hand out how-to-vote cards. On one particular occasion it was a fearsome hot day. I was handing out how-to-vote cards alongside Sam and Olivia when they were quite young. They stood there all day on their own handing out how-to-vote cards without a break. We tried to offer them water or a soft drink or a sandwich, but they steadfastly refused. I often wondered whether Norm had said, "Don't take any tucker from those Nationals. You never know what they might give you." Norm's family were great supporters, and he was enormously proud of them.

Ollie, his sparring partner, was in her own right an enormous character. I remember Norm telling me one day that she was "uncontrollable, but demonstrably lovable". I guess their eight children were proof of that! In his early retirement when Norm was living in Townsville, I ran into Ollie one day and asked her how Norm was. She said, "Oh, Norm has gone gaga." I said, "I am sorry to hear that." I ran into her again a few months later and I

said, "How is Norm getting on now, Ollie?" She said, "Oh, he is as right as rain." I said, "What happened?" She said, "We talked him into going to another doctor. The silly old coot was treating himself all the time." It was that sort of fun and loyalty that surrounded the Scott-Youngs. They had an enormous respect for one another.

To Norm's sparring partner, Ollie, and all the family, I extend my deepest sympathy and that of my family. We remember Norm with a great deal of fondness and respect.

*Motion agreed to, honourable members standing in silence.*

## PETITIONS

The Clerk announced the receipt of the following petitions—

### Gun Control Laws

From **Mr Cooper** (686 signatories) requesting the House to (a) pass legislation that will outlaw in our society the possession of automatic or semiautomatic firearms and ammunition for the same; (b) pass legislation that will outlaw in our society the use of automatic or semiautomatic firearms; (c) pass legislation that will ensure that other firearms can be possessed and used only by those who have a legitimate reason for such possession or use; (d) pass legislation requiring those who possess any firearm to ensure that while not in use any firearm is not armed and is stored in a safe and secure place; and (e) commit itself to the proposals in the Federal Government's initiative on the restriction of firearms.

### Police Service Facility, Ferny Grove

From **Mr Milliner** (1,089 signatories) requesting the House to immediately recommence the process to facilitate construction of the Queensland Police Service facility previously planned for Ferny Grove in accordance with the previous Labor administration's commitment.

### Public Housing

From **Mr Nuttall** (308 signatories) requesting the House to take actions to ensure that the coalition Government meets its commitments to (a) tenants in public housing that they are not charged more than 25 per cent of their income in rent; (b) tenants in public housing that they are not disadvantaged; and (c) introduce accountable

strategies for addition and replacement of housing stock to ensure that proceeds of sales of public housing to tenants are reinvested in public housing.

Petitions received.

### STATUTORY INSTRUMENTS

In accordance with the schedule circulated by the Clerk to members in the Chamber, the following documents were tabled—

Associations Incorporation Act 1981—

Associations Incorporation Amendment Regulation (No. 2) 1996, No. 217

Bills of Sale and Other Instruments Act 1955—

Bills of Sale and Other Instruments Regulation 1996, No. 203

City of Brisbane Market Act 1960—

City of Brisbane Market Amendment Regulation (No. 1) 1996, No. 211

Criminal Justice Act 1989—

Criminal Justice Amendment Regulation (No. 2) 1996, No. 215

Financial Administration and Audit Amendment Act 1996—

Proclamation-the Act (other than sections 4(5) and (6), 30, 31 and 37 and Part 3) commences 30 August 1996, No. 226

Forestry Act 1959—

Forestry Amendment Regulation (No. 1) 1996, No. 207

Forestry Amendment Regulation (No. 2) 1996, No. 229

Fruit Marketing Organisation Act 1923—

Fruit Marketing Organisation Amendment Regulation (No. 2) 1996, No. 210

Hospitals Foundations Act 1982—

Hospitals Foundations (South Coast Region Health Foundation) Amendment Regulation (No. 1) 1996, No. 219

Justices Act 1886—

Justices Amendment Regulation (No. 4) 1996, No. 227

Juvenile Justice Act 1992—

Juvenile Justice Amendment Regulation (No. 1) 1996, No. 216

Legal Practitioners Act 1995—

Legal Practitioners Regulation 1996, No. 214

Medical Act 1939—

Medical Board of Queensland Legislation Amendment By-law 1996, No. 204

Mental Health Act 1974—

Mental Health Amendment Regulation (No. 2) 1996, No. 220

Nature Conservation Act 1992—

Nature Conservation (Macropod Harvest Period) Amendment Notice (No. 1) 1996, No. 208

Petroleum Act 1923—

Petroleum (Entry Permission—IPC Limited) Notice 1996, No. 212

Petroleum (Entry Permission—Resources and Land Management Services Pty Ltd) Notice 1996, No. 213

Primary Producers' Organisation and Marketing Act 1926—

Primary Producers' Organisation and Marketing (Dissolution of Boards) Regulation 1996, No. 221

Queensland Law Society Act 1952—

Queensland Law Society Amendment Rule (No. 1) 1996, No. 218

Residential Tenancies Act 1994—

Residential Tenancies Amendment Regulation (No. 1) 1996, No. 205

Sawmills Licensing Act 1936—

Sawmills Licensing Amendment Regulation (No. 1) 1996, No. 228

Stock Act 1915—

Stock (Cattle Tick) Amendment Notice (No. 1) 1996, No. 209

Traffic Act 1949—

Traffic Amendment Regulation (No. 2) 1996, No. 230

Transport Operations (Marine Safety) Act 1994—

Transport Operations (Marine Safety) Exemption Regulation (No. 3) 1996, No. 206

Transport Operations (Marine Safety) Exemption Regulation (No. 4) 1996, No. 223

Transport Operations (Marine Safety) Exemption Regulation (No. 5) 1996, No. 224

Transport Operations (Marine Safety) Exemption Regulation (No. 6) 1996, No. 225

University of Southern Queensland Act 1989—

Proclamation-a member of the Council constituted under section 8 of the Act assumes office on 19 July 1996

Workplace Health and Safety Act 1995—

Workplace Health and Safety Amendment Regulation (No. 4) 1996, No. 222.

### PAPERS TABLED DURING RECESS

The Clerk announced that the following papers were tabled during the recess—

9 August 1996—

Central Queensland University—Annual Report 1995

Explanation for the late tabling of the Central Queensland University Annual Report 1995

Land Tribunal established under the Aboriginal Land Act 1991—Annual Report for the year ended 30 June 1996

Land Tribunal established under the Torres Strait Islander Land Act 1991—Annual Report for the year ended 30 June 1996.

16 August 1996—

Queensland Dairyfarmers' Organisation—Annual Report for the year ended 31 March 1996

22 August 1996—

Foreign Ownership of Land Register—Annual Report for the year ended 30 June 1996

Register of Cooperative and Other Societies on the administration of the Cooperative and Other Societies Act 1967—Report for the year ended 30 June 1995.

## RESPONSES TO PETITIONS

The Clerk laid upon the table of the House the following responses to petitions received by the Clerk since the last sitting day of the Legislative Assembly, 8 August 1996—

### Smelter Operation, Brisbane

Response from the Minister for Local Government and Planning (Mrs McCauley)—

12 August 1996

Thank you for your letter of 24 July 1996 enclosing a copy of a Petition relevant to my portfolio received by the Queensland Legislative Assembly. The Petition, lodged by Mr P Purcell MLA, Member for Bulimba, requests the Queensland Government allow the Brisbane City Council to amend the Town Plan to prohibit the building and operation of any type of smelter within the City.

The maintenance and administration of the Town Plan is the responsibility of the Brisbane City Council, which is the only authority which can initiate amendments to the Town Plan provisions. There is no statutory authority under the Local Government (Planning and Environment) Act 1990, for myself as Minister, the Department of Local Government and Planning or the State Government generally, to make such an amendment to the Town Plan.

However, if the Brisbane City Council was to propose a Town Plan amendment to prohibit smelters within the City, the amendment would be considered by the Government. Officers of my Department understand the Brisbane City Council is currently reviewing the petitioner's

request and will be responding directly to the Principal Petitioner, Mr Barry Wilson.

I trust this information is helpful to you. If I can be of any further assistance, please do not hesitate to contact my office.

### Development Application, Sunrise Beach

Response from the Minister for Environment (Mr Littleproud)—

19 August 1996

I refer to your letter dated 11 July 1996 conveying the wording of a petition presented to the Queensland Parliament by the Honourable B Davidson, MLA, Minister for Tourism, Small business and Industry regarding the proposed development of Sunrise Caravan Park, Sunrise Beach.

From the information available to the Department of Environment, the proposed works comprise a sub-division of the subject land, and a consent use under the town plan for the area. The sub-division will be subject to Section 45 of the Beach Protection Act 1968, and the consent use will be subject to Section 44 of the Beach Protection Act 1968.

The Beach Protection Act 1968 sets out procedures for lodgement of applications under these sections of the Act. To date, the relevant applications have not been received.

Upon receipt of the necessary applications the works will be considered by the Beach Protection Authority in accordance with the procedures set out in the Act, and the relevant Authority policies. The concerns expressed in the petition will be taken into account as part of that procedure.

The Beach Protection Authority has liaised with the Noosa Shire Council and the developer in regard to this matter.

## PAPERS

The following papers were laid on the table—

(a) Deputy Premier, Treasurer and Minister for the Arts (Mrs Sheldon)—

Brisbane Cricket Ground Trust—Annual Report to 31 March 1996

(b) Minister for Local Government and Planning (Mrs McCauley)—

Under the Local Government Act 1993—

(1) A copy of a request from the Local Government Commissioner in relation to a possible reference to review the local government boundaries of Taroom and Bendemere Shires to deal with a property known as "Lucky Downs" and a copy of the Minister's

response to the Local Government Commissioner that a reference will not be issued in this regard;

- (2) A copy of each of the reports from the Local Government Commissioner on the review of the divisional boundaries of the local government areas of the shires of Gatton, Dalrymple, Redland, Jondaryan, Boulia and Whitsunday; and
- (3) A copy of each of the reports from the Local Government Commissioner on the review of the composition and divisional boundaries of the local government areas of the Shires of Torres and Nebo.

averaged 9.2 per cent on a trend basis since the coalition Government has been in office. This is a 0.3 per cent improvement in the unemployment rate, which averaged 9.5 per cent in trend terms over the last five months of the Labor Government.

The facts speak for themselves. Coalition policies are now kicking in and will only improve job growth further. So the people of Queensland should realise that the constant carping, whingeing, whining and negativity of Labor is little more than a smokescreen to cover its inadequate performance both previously in Government and currently in Opposition.

## MINISTERIAL STATEMENT

### Employment Growth

**Hon. J. M. SHELDON** (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (10.03 a.m.), by leave: It is time the truth about Queensland's economy under Labor is revealed, uncoloured by the rosy view painted by the Labor Party when it was in power.

**Mr Beattie:** Tell the truth.

**Mrs SHELDON:** The truth is that Labor failed in providing an economic climate in Queensland which sponsored genuine growth. Not surprisingly, Labor has been very reluctant to talk about some of the areas where there has been genuine improvement since the coalition gained the Treasury benches in Queensland. One of the genuine areas of improvement in the last few months has been employment growth. Under the coalition, there has been a significant improvement in employment growth, although there is still a long way to go to redress the high unemployment left to us by Labor.

The Government Statistician's Office survey of employment growth has found that, since the coalition Government assumed office in February 1996, 15,300 jobs have been created in Queensland in trend terms. For Australia as a whole, only 14,000 jobs have been created over the same period. This indicates that 1,300 jobs have been lost in the rest of Australia over this five-month period.

Without the strong boost in employment growth in Queensland, national job growth would be negative. Once again, Queensland has returned to its rightful place as the engine room of employment growth in Australia. While Queensland's unemployment rate remains unacceptably high, due to continued high labour force growth reflecting sustained high levels of net interstate migration, it has

## MINISTERIAL STATEMENT

### Children's Commissioner

**Hon. K. R. LINGARD** (Beaudesert—Minister for Families, Youth and Community Care) (10.05 a.m.), by leave: I am pleased to announce that tomorrow I plan to introduce into this House a Bill which, if passed, will ensure that Queensland will become the first Australian State or Territory to establish a Children's Commissioner. That is fitting in this the National Child Protection Week.

The Bill provides for the commissioner to investigate complaints for the delivery of children's services and take information about child abuse, both sexual or other. The Children's Commissioner would promote children's interests in a pro-active way and be a safeguard for the protection and care of one of our State's most valuable resources—our children. The commissioner will hear and investigate complaints concerning the welfare of children and their services. These grievances may come from children and young people themselves or adults with specific concerns regarding the welfare of a child or children.

The commissioner would be able to assist them in their grievances, promote their interests and, where necessary, work cooperatively with the Police Service and other related services. The commissioner would promote that the primary people responsible for the upbringing and development of the child are the parent or parents and emphasise this role as one that belongs to the family. It would also provide a safeguard to ensure that the child's best interests are always considered. It reflects the view of this Government, which recognises that the family is the fundamental unit for care, growth and wellbeing, as well as the fact that a caring family environment is basic to all other needs and rights of a child.

The commissioner would also report on and recommend methods to ensure the best delivery of children's services. The commissioner would be independent of other governmental bodies; it would not be subject to the control or direction of a Minister or department, but would be able to use existing administrative support. The commissioner would also establish a single appeal tribunal to consolidate existing mechanisms and to resolve child-related disputes.

The appointment of a commissioner is based on overseas research, particularly in Norway and New Zealand where such a commissioner, or equivalent, has been in place for some years. The recent World Congress on the Commercial Sexual Exploitation of Children highlighted the need to protect children, and during the congress 126 countries signed a declaration committing Governments to eradicate child sexual exploitation.

I look forward to introducing this Bill to the House tomorrow, which is the day of the annual police phone-in "Operation Paradox". This is a valuable opportunity to report cases of child sexual abuse, and those involved in child pornography or other commercial sexual exploitation. I believe that the Bill is a ground-breaking initiative. We must not forget that today's children are tomorrow's future; their welfare must be paramount both to this Parliament and the community that we represent.

## MINISTERIAL STATEMENT

### Advertising of Senior Police Positions

**Hon. T. R. COOPER** (Crows Nest—Minister for Police and Corrective Services and Minister for Racing) (10.09 a.m.), by leave: The Government's decision to advertise nationally all police positions from the rank of superintendent and above came from the final report of the Queensland Police Service Review Committee. Sir Max Bingham, QC—the inaugural Chair of the Criminal Justice Commission—headed that committee and he yesterday advised me in writing that Sir Bruce Watson, former Chief Superintendent Jill Bolen, former Assistant Commissioners Laurie Witham and Roly Dargusch and he all agreed that the recommendation had been correctly interpreted by the Government.

In his letter, Sir Max reiterated that the purpose of advertising, coupled with a selection process based on merit, was to ensure the best people available were appointed. It was the controversy and

confusion which was being generated by the statements of the dissenting committee members which made it necessary for the Government to move quickly to establish its formal response to this central recommendation. Those opposite rushed in to see conspiracy everywhere. The fact remains that I moved to have the Government's response to that particular recommendation clarified as a matter of urgency because I wanted those people affected to know clearly, officially and formally how the Government proposed to respond.

The Leader of the Opposition has deliberately, opportunistically and quite disgracefully attempted to portray the Government's decision in the most sinister light—hysterically presenting that decision as some kind of farcical conspiracy scenario. In essence, the wild and fanciful claims of the Leader of the Opposition can have any substance only if he believes that Sir Max Bingham, Sir Bruce Watson and former senior police officers Jill Bolen, Laurie Witham and Roly Dargusch are in cahoots with the Government. All these people cherish their independence, and such an assertion is patently stupid.

Now, this Leader of the Opposition garnered for himself a reputation as a man of independence and principle because of his support for Sir Max when he was Chair of the CJC and the Leader of the Opposition was Chair of the PCJC. He made no secret of his belief then that Sir Max was a man of total integrity. But last week, all that went out the window in the chase for a few cheap political points. The fact is that the Leader of the Opposition knows—if he has bothered to read it—that the report of the QPS review committee is a visionary blueprint which was the culmination of four months of serious and intense evaluation of the Police Service by a group of people with unrivalled expertise and experience. During the course of that evaluation, committee members spoke with more than 700 serving police officers at 70 different locations around the State and received 174 submissions. They would not have come to the view that the senior positions in the QPS should be advertised nationally unless they genuinely believed this would ensure that the Police Service was led and managed by the best available talent.

Until the report was released, there was no disagreement between committee members over what the recommendation meant, as Sir Max and four other committee members have stated in writing—

"The Recommendation was meant to confirm the present practice of advertising vacancies at the level of Assistant Commissioner and above and to extend that practice to vacancies at the level of Superintendent and Chief Superintendent.

The latter positions are not on contract. A vacancy in one of them occurs when the incumbent is promoted or transferred or resigns or otherwise leaves the Service.

Assistant Commissioner positions (and above) are held on contract and a vacancy arises in the same circumstances as for Superintendents and Chief Superintendents; such a position also becomes vacant at the expiration of the contract (unless the contract otherwise provides).

The Committee was conscious of the undertaking given by the Government to Mr O'Sullivan.

The purpose of advertising, coupled with a selection process based on merit, is to ensure the best people available are appointed. Obviously, holders of current contracts should be able to re-apply, if they wish to do so (and obviously, they will usually have a considerable advantage)."

They certainly have my support. That is what five members of the committee have said, and I table their advice for the House.

I will say again here in this House what I have stated publicly several times now to the media and anyone who is prepared to listen. There is no purge. There is no spill of positions. Positions will simply be advertised as they become vacant. In the case of contracts, that will be when those contracts expire unless the contract specifically provides otherwise. In the case of the current 28 superintendents and 15 chief superintendents, that will be when the incumbents are promoted or transferred or resign or retire.

The hypocrisy of those hyenas opposite is even more breathtaking when one casts back to October 1992. That was when then Premier Goss—the perpetually missing member for Logan—insisted on advertising the position of the post-Fitzgerald reform Police Commissioner Noel Newnham. And Premier Goss—after his Government had waged a relentless white-anting campaign against that fine man—sanctimoniously claimed the position was being advertised because, he said, it was in line with a recommendation by Justice Fitzgerald. His own current sanctimonious

pronouncements that Sir Max Bingham is demonstrating "double standards" should not go unchallenged. And I challenge him to cite one example of when Sir Max ever publicly questioned his Government's decisions. Even when serious, important and excellent reports such as the CJC report on prostitution were effectively thrown in the rubbish bin by Mr Goss, Sir Max always acknowledged the primacy of the Parliament and the Executive Government of the day.

But who would be surprised by the malevolence of the member for Logan towards Sir Max? After all, there are few in this House unaware that his hatred of Sir Max and the CJC was such that he sank to the unbelievable level of conducting background briefings where journalists were told not to bring tapes or notebooks so he could smear his reputation in safety. It is also well known that this failed former Premier's obsession with undermining Sir Max was such that he personally rang around journalists urging them to whip up a major controversy about Sir Max's driving licence—one of the grubbiest exercises even those cynical journalists had ever witnessed.

I am appalled and dismayed that people with agendas—like the Leader of the Opposition—would seek to continue misrepresenting this decision for their own ends with no regard whatsoever for the anxiety and confusion they are creating. But the Government has taken its decision—a decision based on the expert advice of the five distinguished members of the QPS review committee after their four months of unstinting effort. They wanted the people of Queensland to have the best Police Service possible; so does this Government, and that is the sole motivation driving the decision to advertise all senior jobs as and when they become vacant.

## MINISTERIAL STATEMENT

### Post-Compulsory Task Group

**Hon. R. J. QUINN** (Merrimac—Minister for Education) (10.15 a.m.), by leave: The Post-Compulsory Task Group established by myself and the Honourable the Minister for Training and Industrial Relations in April this year has now completed its report: *Coordinating Diversity: Directions For Post-Compulsory School Education In Queensland*. Members would appreciate that the issues dealt with by the task group are quite complex, relating as they do not only to general education but also to vocational education and training and taking into consideration as well the Commonwealth

initiatives such as the modern Australian apprenticeship and traineeship system. The report is therefore quite comprehensive, outlining a framework for post-compulsory school curriculum based around 10 agreed principles and presenting approximately 60 recommendations for consideration.

Now is not the time to give a comprehensive outline of the findings and recommendations of the report, but I would point out three features which I believe sum up the report. The report largely endorses current arrangements in post-compulsory school education in Queensland and does not propose radical reform. At the same time, the report provides the basis for more flexible arrangements, particularly in terms of the provision of vocational education for school students. The report contains several proposals to enhance the post-compulsory school curriculum for students with disabilities.

The consultation process has now begun. The major stakeholder groups who were represented on the Post-Compulsory Task Group will each conduct a targeted consultation with their constituents, and the outcomes of these many stakeholder consultations will form the basis of a report to Minister Santoro and myself at the end of October. I want to note here that extensive consultation has already occurred across the State in the development of this report, principally through focus group meetings and written submissions, and the wider education and training communities now have another opportunity to respond. The Minister for Training and Industrial Relations and I expect to establish an implementation group in the near future. The impact of the recommendations of the report on resourcing levels is currently being investigated. I also commend the work done by Professor Alan Cumming and his group in bringing this important report to fruition.

## ESTIMATES COMMITTEES

### Sessional Orders

**Mr FITZGERALD** (Lockyer—Leader of Government Business) (10.18 a.m.), by leave, without notice: I move—

"That the following sessional orders be adopted—

Appointment of Committees

1. The following Estimates Committees are appointed—

Estimates Committee A

Estimates Committee B

Estimates Committee C

Estimates Committee D

Estimates Committee E

Estimates Committee F

Estimates Committee G

### Role of Committees

2. (1) The proposed expenditures stated in the Appropriation Bill No. 2 1996 and Appropriation (Parliament) Bill No. 2 1996 are referred to the Estimates Committees immediately after each of the Bills has been read a second time.

(2) Each committee is to examine and report by no later than 8 October 1996 on the proposed expenditures for the organisational units allocated to it.

### Estimates Committee A

3. The following organisational units are allocated to Estimates Committee A—

Office of the Governor

Legislative Assembly

Queensland Audit Office

Parliamentary Commissioner for Administrative Investigations

Department of the Premier and Cabinet

Department of Economic Development and Trade

Treasury Department

Any other organisational units within the portfolios of the Premier and the Treasurer

### Estimates Committee B

4. Organisational units within the portfolios of the following Ministers are allocated to Estimates Committee B—

Attorney-General and Minister for Justice

Minister for Police and Corrective Services and Minister for Racing

Minister for Emergency Services and Minister for Sport.

### Estimates Committee C

5. Organisational units within the portfolios of the following Ministers are allocated to Estimates Committee C—

Minister for Education  
Minister for Training and  
Industrial Relations.

#### Estimates Committee D

6. Organisational units within the portfolios of the following Ministers are allocated to Estimates Committee D—

Minister for Environment  
Minister for Tourism, Small  
Business and Industry  
Minister for Local Government  
and Planning

#### Estimates Committee E

7. Organisational units within the portfolios of the following Ministers are allocated to Estimates Committee E—

Minister for Primary Industries,  
Fisheries and Forestry  
Minister for Mines and Energy  
Minister for Natural Resources.

#### Estimates Committee F

8. Organisational units within the portfolios of the following Ministers are allocated to Estimates Committee F—

Minister for Transport and Main  
Roads  
Minister for Public Works and  
Housing.

#### Estimates Committee G

9. Organisational units within the portfolios of the following Ministers are allocated to Estimates Committee G—

Minister for Health  
Minister for Families, Youth and  
Community Care

#### Government Owned Corporations

10. (1) A reference to the organisational units within the portfolio of a Minister is deemed to include Government Owned Corporations reporting to the Minister.
- (2) For the purpose of these sessional orders, the term public official includes a member of a board or a Chief Executive Officer of a Government Owned Corporation.

- (3) In respect of Government Owned Corporations, a Member of a Committee may ask any question which the Committee determines will assist it in its examination of the relevant Appropriation Bill or otherwise assist the Committee determine whether public funds are being efficiently spent or appropriate public guarantees are being provided.

#### Membership of Committees

11. (1) Each Estimates Committee consists of 6 Members of whom 3 are to be nominated by the Leader of the House and 3 by the Leader of the Opposition. For the purpose of these sessional orders, those Members nominated by the Leader of the House are called Government Members and those Members nominated by the Leader of the Opposition are called non-Government Members.

- (2) Each Committee shall nominate a Chairman, provided that the Chairman is a Government Member.

- (3) The Committee is to appoint a Deputy Chairman, provided that the Deputy Chairman is a non-Government Member.

#### When Committees may sit

12. Estimates Committees may sit whether the House is sitting or adjourned.

#### Open hearings

13. Hearings of an Estimates Committee are open to the public unless the committee otherwise orders.

#### Presiding Member

14. (1) The Chairman of an Estimates Committee presides at all committee proceedings at which the Chairman is present.
- (2) If the Chairman is not present at a committee proceeding, the committee's Deputy Chairman presides.
- (3) If both the Chairman and Deputy Chairman of a committee are not present at a committee proceeding, the Committee Member chosen by

the Committee Members present at the proceeding presides.

#### Quorum and voting at proceedings

#### 15. At a proceeding of an Estimates Committee—

- (1) 4 Committee Members form a quorum;
- (2) a question is decided by a majority of the votes of the Committee Members present and voting; and
- (3) each Committee Member present has a vote on each question to be decided and, if the votes are equal, the presiding Member also has a casting vote.

#### Opening hearing procedure

#### 16. In an Estimates Committee hearing about proposed expenditure—

- (1) the presiding Member is to call over the estimates about the proposed expenditure and declare the proposed expenditure open for examination; and
- (2) the presiding Member is to put the question 'That the proposed expenditure be agreed to'.

#### General hearing procedure—organisational unit other than Legislative Assembly

#### 17. In an Estimates Committee hearing about proposed expenditure for an organisational unit other than the Legislative Assembly—

- (1) the responsible Minister is to be present at all times and may have advisers present to assist the Minister; and
- (2) the Committee may invite public officials to the Committee's hearing, provided those persons are public officials from the organisational units or portfolios allocated to the Committee, and invited public officials may have advisers present to assist them; and
- (3) a Committee Member may ask the Minister questions; and
- (4) a Member who is not a Committee Member may, with the committee's leave, ask the Minister questions; and

(5) a Committee member may ask a public official who is present questions, provided that the Minister, or the official, may object to a question asked of an official on the ground that it seeks to elicit an opinion on policy matters; and

(6) a Member who is not a Committee member may, with the Committee's leave, ask a public official who is present questions, provided that the Minister, or the official, may object to a question asked of an official on the ground that it seeks to elicit an opinion on policy matter; and

(7) an adviser may answer questions referred to the adviser by the Minister or a public official.

(8) Subject to the above provisions, a Member may ask any question which the Committee determines will assist it in its examination of the Appropriation Bill No. 2 1996.

#### General hearing procedure—Legislative Assembly

#### 18. In an Estimates Committee hearing about proposed expenditure for the Legislative Assembly—

(1) Mr Speaker is to be present at all times and may have advisers present to assist Mr Speaker; and

(2) the Committee may invite public officials to the Committee's hearing, provided those persons are officers of the Parliament, and invited public officials may have advisers present to assist them; and

(3) a Committee Member may ask Mr Speaker questions; and

(4) a Member who is not a Committee Member may, with the committee's leave, ask Mr Speaker questions; and

(5) a Committee member may ask an officer of the Parliament who is present questions, provided that Mr Speaker, or the officer, may object to a question asked of an officer on the ground that it seeks to elicit an opinion on policy matters; and

- (6) a Member who is not a Committee member may, with the Committee's leave, ask an officer of the Parliament who is present questions, provided that Mr Speaker, or the officer, may object to a question asked of an officer on the ground that it seeks to elicit an opinion on policy matter; and
- (7) an adviser may answer questions referred to the adviser by Mr Speaker or a public official; and
- (8) subject to the above provisions, a Member may ask any question which the Committee determines will assist it in its examination of the Appropriation (Parliament) Bill No. 2 1996.

Time for questions and answers in a hearing

19. In an Estimates Committee hearing—

- (1) questions must be no longer than 1 minute; and
- (2) unless the Member asking the question otherwise agrees, answers must be no longer than 3 minutes; and
- (3) where a Member agrees to an extension of time for an answer in accordance with (2) above, further extensions of time must be agreed to by the presiding Member after every interval of two minutes has elapsed; and
- (4) the presiding Member is to ensure the fair allocation of time available for questions and answers and ensure that at least half the time available for questions and answers in respect of each organisational unit is allocated to non-Government members.

Questions on notice prior to the hearings

20. (1) A committee may, at a reasonable time prior to public hearings, put up to twenty questions on notice to Ministers and to Mr Speaker; and
- (2) Of the questions referred to in (1) above, at least ten questions are to be allocated to non-Government Members; and

- (3) The Minister or Mr Speaker shall provide answers to the questions referred to in (1) above, at least twenty-four hours prior to the hearing; and
- (4) The Committee shall ensure that the questions referred to in (1) above, do not place unreasonably onerous research requirements on an organisational unit or are not unnecessarily complex or are not composed of an unreasonable number of sub-parts; and
- (5) The above provisions do not intend to limit the number of questions a Committee may provide to the Minister or Mr Speaker prior to the hearing.
- (6) All answers to questions on notice shall be in writing unless the Committee otherwise allows.

Questions on notice and additional information

21. (1) A Minister, Mr Speaker or a public official may tell an Estimates Committee that an answer to a question, or part of a question, asked of the Minister, Mr Speaker or a public official will be provided later to the committee.
- (2) A Minister, Mr Speaker or a public official may also give the committee additional information about an answer given by or for the Minister or Speaker.
- (3) The answer or additional information—
- (a) is to be written; and
  - (b) is to be given by a time decided by the committee; and
  - (c) is taken to be part of the proceedings of the Parliament; and
  - (d) may be included in a volume of additional information to be laid on the Table of the House by the committee.

Committee Hearing—sitting times

22. The Committee's hearing is to be held within the times 9.00 am to 1.00 pm and 2.30 pm to 7.30 pm on the day allocated for its hearing.

## Estimates Committee must report

23. (1) An Estimates Committee must make a report at the end of its deliberations.
- (2) However, Estimates Committee A must make 2 reports, that is, one for the Legislative Assembly and another for the other organisational units allocated to it.

## Content of report

24. (1) An Estimates Committee's report must state whether the proposed expenditures referred to it are agreed to.
- (2) A reservation or dissenting report by a Committee Member may be added to the Committee's report after it is adopted by the committee.

## Effect of failure to report

25. If an Estimates Committee does not report on all of the proposed expenditures referred to it, the Committee is taken to have made a report agreeing to the proposed expenditures that it does not report on.

Tabling and consideration of reports—  
Appropriation Bill

26. (1) The Chairman of each Estimates Committee must lay the committee's report on the proposed expenditures stated in the Appropriation Bill 1995 on the Table of the House.
- (2) The reports are to be received by the Legislative Assembly without debate and their consideration deferred until the consideration of the Bill in the Committee of the Whole House.
- (3) The Committee of the Whole House must complete the consideration of the reports by no later than 9 October 1996.

Tabling and consideration of report—  
Appropriation (Parliament) Bill

27. (1) The Chairman of Estimates Committee A must lay the committee's report on the proposed expenditures stated in the Appropriation (Parliament) Bill No. 2 1996 on the Table of the House.

- (2) The report is to be received by the Legislative Assembly without debate and its consideration deferred until the consideration of the Bill in the Committee of the Whole House.
- (3) The Committee of the Whole House must complete the consideration of the report by no later than 9 October 1996.

Effect of consideration in Committee of  
the Whole House

28. Consideration of an Estimates Committee's report in the Committee of the Whole House is taken to be consideration of the provisions of the Appropriation Bill No. 2 1996 or Appropriation (Parliament) Bill No. 2 1996 so far as the provisions authorise the proposed expenditures referred to the Estimates Committee.

Procedure in Committee of the Whole  
House

29. In the Committee of the Whole House, for each Estimates Committee—
- (1) the Chairman of Committees must put the question 'That the report of <name of Committee> be adopted'; and
- (2) a Member may speak for no longer than 5 minutes on the question; and
- (3) in reply to the debate each responsible Minister may speak for no longer than 5 minutes; and
- (4) the debate is to continue for no longer than 60 minutes.

Application of Standing Rules, Orders and  
practice

30. (1) The Standing Rules and Orders and practice of the Legislative Assembly also apply to Estimates Committees and to the Committee of the Whole House acting under these orders.
- (2) However, if there is an inconsistency on some matter, these orders prevail."

Motion agreed to.

## CRIMINAL JUSTICE COMMITTEE

### Criminal Justice Commission Publications

**Hon. V. P. LESTER** (Keppel) (10.18 a.m.): I lay upon the table of the House the following publications of the Criminal Justice Commission—

Intelligence at Work Inside the CJC;

Summary of Activities from April, May and June 1996;

Briefing Note: Key Findings of Pre-training Survey (May 1996 Recruit Intake); and

Evaluation of the Brisbane Central Committals Project.

Whilst the CJC has a specific responsibility to table its reports in Parliament pursuant to section 26 of the Criminal Justice Act, as the committee has previously advised the Parliament there is currently no definition of "report" in the Act. The committee believes that it is in the spirit of the Criminal Justice Act that all non-confidential publications by the CJC are tabled in the Parliament. Therefore, this document is being tabled in accordance with the prior request of this committee to that effect.

The committee stresses that it has in no way conducted an inquiry into the matters the subject of this publication. The committee simply believes that the Parliament and the people of Queensland should be informed of all non-confidential publications produced by the CJC. The committee also stresses that it is the CJC which has determined that this document is not a report of the commission for the purposes of section 26 of the Criminal Justice Act.

## SCRUTINY OF LEGISLATION COMMITTEE

### Report

**Mr ELLIOTT** (Cunningham) (10.20 a.m.): I lay upon the table of the House the Scrutiny of Legislation Committee's Alert Digest No. 7 of 1996. I move that it be printed.

Ordered to be printed.

**Mr ELLIOTT:** I wish to alert the House to the foreword in that digest, in which I refer to an article in the *Sunday Mail* of 4 August 1996 by Mr Chris Griffiths in which he inaccurately reported the words of the Minister for Primary Industries. It would do members well to read that foreword because, quite frankly, that article was quite inaccurate. The committee is quite concerned about that. Committee members are entirely in favour of

the public being accurately informed about matters arising in Bills, but they certainly do not wish to see inaccuracies such as the ones contained in that particular article.

## LEGAL, CONSTITUTIONAL AND ADMINISTRATIVE REVIEW COMMITTEE

### Review of Referendums Bill

**Mrs GAMIN** (Burleigh) (10.21 a.m.): I rise in my capacity as Chairman of the Legal, Constitutional and Administrative Review Committee to advise the House that the committee, in response to a request from the Attorney-General dated 21 August 1996, has resolved the following—

that the committee, pursuant to its general area of responsibility in relation to electoral reform, conduct a review of the Referendums Bill 1996 and report thereon to the Legislative Assembly;

that as a first step in the review process the committee call for public submissions; and

that the closing date for the submissions be Friday, 11 October 1996.

## NOTICE OF MOTION

### Criminal Justice Commission Review

**Mr BEATTIE** (Brisbane Central—Leader of the Opposition) (10.22 a.m.): I give notice that I will move—

"That this Parliament deplores the way in which this Government is turning back the clock to the corrupt regimes of the past and is also running an orchestrated campaign against the Criminal Justice Commission and senior police as evidenced by

- (1) the constant attacks on the CJC, which have culminated in holding a gun to the head of the CJC by ordering a judicial review of its operations;
- (2) ordering that all senior positions in the Police Service should be advertised when contracts end, whether or not officers have performed well; and
- (3) the signing of the Memorandum of Understanding with the Police Union.

Accordingly, this Parliament directs the Government to refer its review of the Criminal Justice Commission to the Parliamentary Criminal Justice Committee

as intended by the Fitzgerald report and the Criminal Justice Act."

### **GOVERNMENT CLEANING SERVICE PRESERVATION BILL**

**Mr BREDHAUER** (Cook) (10.23 a.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill for an Act to prevent the privatisation of the Government cleaning service."

Motion agreed to.

#### **First Reading**

Bill and Explanatory Notes presented and Bill, on motion of Mr Bredhauer, read a first time.

#### **Second Reading**

**Mr BREDHAUER** (Cook) (10.24 a.m.): I move—

"That the Bill be now read a second time."

Today the Australian Labor Party reaffirms its fundamental commitment to ordinary working women and men and their families in Queensland. Every member on the Labor side of the House knows that the most important issue for the vast majority of Queenslanders is their job and their job security. We know that what this Government has done is to rob up to 6,500 ordinary Queensland battlers of their jobs, their future security and their dignity. Let us be perfectly clear: the decision of the Borbidge Government to sack 6,500 school cleaners and put their jobs out to contract is a betrayal of those cleaners and the people of Queensland. Mr Borbidge and his party promised that the cleaners' jobs would be safe from privatisation—not once, not twice, but many, many times.

Over the last few weeks, I have spoken to hundreds of school cleaners in different parts of Queensland. I have also received hundreds of letters from cleaners, from schools, from P & Cs and from members of the community. Most cleaners and many letters have stated their disbelief. They trusted the Premier of Queensland. The cleaners thought that, if the Premier wrote to them saying that their jobs would not be contracted out, he could be trusted to keep his word. "Is he not a man of integrity?" they asked. The cleaners thought that, if the Education Minister said in Parliament and elsewhere that the Government would honour its election promise not to privatise cleaning but to return it to the

control of the Education Department, he could be believed. "Is he not an honest man?" they have asked. The cleaners thought that, if other senior Government frontbenchers such as the Minister for Families, Youth and Community Care and the Minister for Works and Housing made promises in writing that their jobs were safe, then they had nothing to fear. Are they not the Government of Queensland and can they not be trusted? Well, honourable members, they are the Government, but clearly they are not up to the job.

The Premier, the Minister for Education and this Government have sent a clear message to 6,500 Queensland school cleaners and to the people of Queensland. This arrogant Premier cannot be trusted. The Premier lacks the integrity that his position in this Parliament and in Queensland demands. The Education Minister is not an honest man. The Education Minister could not be trusted to keep his word.

Then he could not face the reality of the chaos his decision created. When the Minister faxed the principals of 1,500 Queensland schools and told them to do his dirty work and advise the cleaners that they were sacked, the principals could not leave by the side door to escape their responsibility. When he sent out over 6,000 "Dear Cleaner" letters to ordinary working women and men who have toiled for the Education Department for up to 30 years to keep our schools clean, the principals could not ask the driver to come around to the back door so they could attempt to slip away from the reality of this decision quietly and undetected.

The Keystone Cops style of antics around Queensland schools a fortnight ago may have amused some people watching the nightly news, but it was one of the saddest spectacles I have witnessed in nearly seven years in this Parliament. A Minister of this Government was running away from his decision to sack the cleaners. He was running away from his responsibility. For 6,500 school cleaners there was no place to run and no place to hide.

The Premier has compounded his Government's error. When the Premier stopped his car outside the plant in Pine Rivers the other day, he made some stunning admissions. He admitted that contract cleaning had not worked in New South Wales. He admitted that his Government and the Minister had bungled the handling of this issue. Then the Premier effectively sidelined the Minister, saying that Cabinet would discuss alternative options at its next meeting—

something the Minister refused to concede. The Premier raised the expectations of all Queensland school cleaners that he would reconsider, that he was prepared to compromise.

Yesterday, in the Premier's absence, Cabinet and those in the joint coalition party room demonstrated just what a cruel hoax the Premier's words were. Not content with inflicting the wound on 6,500 school cleaners, the Premier decided that he personally would rub the salt in. It will be a long time before the school cleaners forget the Premier for his role in this. Last week he gave them hope and lifted their spirits. Then he dumped them on the ground and trampled them underfoot.

Unfortunately, owing to the filibustering opposite, I am unable to conclude my speech. I seek leave to incorporate the balance of it in *Hansard*.

Leave granted.

Queensland's school cleaners and the people of Queensland now understand what sort of Government this is in stark reality.

The Premier and his Ministers were prepared to promise anything to win power in Queensland. The Premier and his Government are prepared to say and do anything to hold onto power in Queensland. The plain truth is however that this Premier and his Government lied. The lack honesty and integrity. They cannot be trusted.

The Premier is not up to the job of governing Queensland for the 6,500 school cleaners nor for the benefit of the rest of the State.

So now we come to the Government Cleaning Service Preservation Bill and it is interesting to note why this Bill should be necessary.

As I have travelled the State in recent weeks one theme keeps recurring.

"Why do you need a Private Members Bill? Hasn't the Parliament already decided that the Government should reverse its decision? If the Government isn't accountable to the Parliament who are they accountable to?"

These are all good questions and the Premier would do well to reflect on the damage that he has done, not just to the credibility of his Government but to the peoples faith in our system of democracy.

Many people find it incredible that the Premier and the Minister would so candidly thumb their nose at the Parliament of Queensland by refusing to implement a decision of the majority of members of this Parliament so publicly. The day after the resolution was carried they said they would ignore it.

People around the State don't seem to understand that the contempt shown for the Parliament of the people of Queensland by

Bjelke-Petersen and pre-Fitzgerald National Party Governments is alive and well and has returned to haunt these hallways under this National Party and this Coalition Government. They are simply winding back the clock. Like the recent Memorandum of Understanding. Like the Terry Lewis interview. Like the Allen Callaghan appointment. Some things in the National Party never change as the Premier's contempt for the Parliament clearly demonstrates.

So the Australian Labor Party's simple Bill will make it unlawful for the cleaning service in Queensland schools to be privatised.

The passage of this Bill through the Parliament will give effect to the wishes of the Parliament as expressed on 6th August 1996.

The passage of this Bill will give the 6,500 school cleaners their jobs back.

But let us be clear about one thing. This Bill does nothing to harm the Government's working majority in the Parliament.

This week the Government's legislative program will continue as usual. Next week they will bring down their budget.

They may have to find a bit extra to keep the cleaners on. About a quarter of the \$200 million they spent on the Sunshine Coast Motorway tolls or a little over half what they spent on the share market splurge for Metway Bank.

But then again its all a matter of priorities isn't it. And the Australian Labor Party makes no apology for saying that we think keeping 6,500 ordinary working women and men off the unemployment scrapheap and restoring their dignity a very high priority indeed.

I commend the Bill to the House.

Debate, on motion of Mr Mackenroth, adjourned.

## QUESTIONS WITHOUT NOTICE

### Police Minister

**Mr BEATTIE** (10.28 a.m.): I refer the Premier to the behaviour of and controversy surrounding his Police Minister, Russell Cooper. I ask: does he still have the Premier's total and unequivocal confidence?

**Mr BORBIDGE:** In reply to the Leader of the Opposition—yes.

### Police Personal Files

**Mr BEATTIE:** I refer the Minister for Police to the Government's orchestrated campaign against the criminal justice system and his directive to Police Commissioner, Jim O'Sullivan, that he should hand over to him the personal files, records and performance appraisals of the deputy commissioner and all

of the assistant commissioners. I ask: why does the Minister want those personal details and how will he use them? Is this part of his orchestrated campaign against Commissioner O'Sullivan and senior police, including assistant commissioners, who are under attack by the Police Union? Is he not turning back the clock to the days when a National Party Premier and Police Minister interfered in the appointment and promotion of senior officers and isolated an honest, independent commissioner so that he was eventually forced to resign? Is his behaviour not grossly improper?

**Mr COOPER:** I will answer the last part of the question first. My behaviour is not grossly improper. In relation to the assistant commissioners, the commissioner, or whoever, I have no intention at all of impugning them in any way, shape or form. We are talking about accountability, which is the sort of thing that members opposite run away from whenever they are confronted with it.

The letter does not bother me; I knew that it had been leaked to the Opposition. I make the point that any letters that a Minister writes to the commissioner come within the communications registry, which is tabled in the Parliament, anyway. It is no secret. The fact is that information about contracts or appraisals should be known by the Minister. The Minister has that right and, indeed, that duty as a Minister of the Crown. If Ministers do not make themselves aware of the contracts and their contents, then to my mind those Ministers are being irresponsible. A Minister should know, because a Minister represents the people.

There are three arms in this equation: certainly, we have the Queensland Police Service; certainly, we have the Criminal Justice Commission; and, certainly, we have the people. The people are entitled to a say through their Minister and through their Parliament. The people are entitled to know. If we want to be open and accountable, there should be nothing secret about it—nothing at all. That is what it is all about.

The moment members opposite or some other people, such as those in the justice system—and I will not be specific—are confronted with that word "accountability", they rear back and say, "It is great for everyone else, but not for us." We believe that there should be openness and accountability. For too long we have had complaints from members opposite about openness and accountability, yet when they had their opportunity to be open and accountable, they shirked their responsibility. Not once did they

rise to the occasion. This Government does rise to the occasion and will continue to rise to the occasion and be accountable. That is what it is all about. That is what the people of this State want—openness. There should be no secrets.

It does not matter whether a person is a Police Commissioner, an assistant commissioner, or even a parliamentarian. As members opposite would know, parliamentarians are accountable to the people not only every three years at election time but also every day when they come under the scrutiny of either the media or the general public; we accept that, so why on earth should other people not be as accountable as parliamentarians?

Those factors must be taken into account when the contracts of those people are taken into account. That is as it has to be. It should be open; it should be accountable. They should be properly appraised, and that is exactly what we intend to do.

### **Privatisation of Public Sector Services**

**Mr SPRINGBORG:** I ask the Honourable the Premier: can he detail to the House the hypocrisy of the Opposition Leader and the Deputy Opposition Leader on the issue of the privatisation of services currently delivered by the public sector in light of the policies and actions of the Government in which they served?

**Mr BORBIDGE:** I am delighted to reply to the honourable member. When we look back at the performance of the Leader of the Opposition and the Deputy Leader of the Opposition when they were in Government, we see the blatant hypocrisy of the positions that they are now taking publicly.

We are aware of the current controversy in respect of the efforts by this Government to save money for schools and teachers by reducing the amount spent on cleaning to something like the national average. However, when we look at the projections for the 1995-96 Health budget, it is all very enlightening. I remind the House that at the time the Health Minister was the current Deputy Leader of the Opposition. The then Government was struggling to find new health initiatives, and I will table the relevant documentation relating to the previous Government's Budget deliberations. As far back as 1993-94, to try to ease the tightening budget, the previous Labor Government proposed to save some \$5m in that budget, growing to \$10m in 1994-95 and then to

\$15m in the past financial year—which engages the tenure in the Health portfolio of both the Opposition Leader, Mr Beattie, and his deputy—by "rationalising hotel services".

The Cabinet Budget Committee briefing paper of 13 April last year in preparation for the 1995-96 Budget outlined the then Government strategy for achieving those savings. Members should remember that that was at a time when the Leader of the Opposition, the Deputy Leader of the Opposition and a whole procession of other members were Health Ministers in the previous Government.

**Mr Elder:** Tell the truth.

**Mr BORBIDGE:** I will quote the truth, and it makes the member look like a mug.

**Mr Elder:** That would be a change.

**Mr BORBIDGE:** I am quoting directly from the Cabinet Budget Committee briefing paper of 13 April last year. The savings were—

". . . to be achieved through the rationalisation of hotel-type services in hospitals, laundry, catering and"—

wait for it—

"cleaning."

There was to be—

". . . a combination of efficiency improvements in in-house operations, centralised public infrastructure and private sector contracting involving hotel services in public hospitals to replace public sector employees."

That occurred when the member opposite was the Minister for Health. The Opposition Leader and the Deputy Opposition Leader both believe in private sector contracting to free up funds for service delivery.

That briefing paper is not the only evidence of this very clear fact. We now see from the Leader of the Opposition and his deputy little more than cheap political opportunism. It is cheap political opportunism from the opportunist opposite.

**Mr BEATTIE:** I rise to a point of order. The Premier has misled the House. For the records of the House, it is important that it be set straight. The Premier referred to a period in May last year. The Premier's assertion that those matters were not knocked back in the Budget process is untrue. I also point out that at the time I was a humble backbencher.

**Mr SPEAKER:** There is no point of order.

**A Government member** interjected.

**Mr BORBIDGE:** As my colleague reminds me, the Leader of the Opposition has never fallen into that category.

The point I was making is that the Leader of the Opposition came along as Health Minister and he picked up the pieces from his deputy.

**Mr Beattie:** Oh yeah—try and reinvent the truth now.

**Mr BORBIDGE:** If the Leader of the Opposition wants to argue about it, I am quite happy to table this document. For example, if we look as far back as 1990 to the then Government's policy framework for the corporatisation of Government owned businesses, we see a direct reference to the fact that if corporatisation of the State's larger public businesses such as electricity could not deliver the benefits, then privatisation was an option. When we look at the former Government's proposals for the commercialisation of Government business units, we see that its plan was to open up the delivery of many forms of goods and services currently supplied by Government to full competition from the private sector.

In that regard, it is also interesting to note that when the former Government listed the services that were appropriate for commercialisation in its July 1995 policy framework on commercialisation, at the top of the list was cleaning, along with hotel services. What gross, massive hypocrisy we have been listening to from the Leader of the Opposition and his deputy.

**Mr Livingstone:** We threw it out.

**Mr BORBIDGE:** The Labor Party ruled it out. Let us have a look at what it did in the Health portfolio. Outsourcing of hospital services to the private sector under Labor—Royal Brisbane Hospital, cleaning; Cairns Hospital, cleaning; Gold Coast Hospital, cleaning. They say they ruled it out, but they outsourced during Mr Hamill's term in Government and during the terms of the Leader of the Opposition and the Deputy Leader of the Opposition as Ministers for Health. They ruled it out? If that is ruling it out, I would hate to see them on a bad day!

This raises a further question in respect of the conduct of certain unions and certain union leaders. While the Labor Party was contracting out cleaning at the Royal Brisbane Hospital, and outsourcing cleaning at the Cairns Hospital and the Gold Coast Hospital, where were the unions? Where was the Miscellaneous Workers Union then? Where was Don Brown then? They were nowhere to

be seen. Presumably it was not such an issue then, because Mr Brown was not then President of the Labor Party.

I do not want to be too harsh on Mr Brown because the honourable member for Cook made savage comments in his assault on me and the Government, which I must say I found rather hurtful. The simple fact is that I was unfortunately indisposed yesterday, but, unlike the Leader of the Opposition and the member for Cook, I can advise the House that Mr Don Brown will be meeting me later this morning to talk about a possible compromise.

#### **Standing Down of Ministers, Westminster Tradition**

**Mr ELDER:** The Premier had better tell Don Brown that. That is not what he understands. I ask the Premier: will he guarantee to uphold the Westminster tradition of standing down Ministers who have adverse findings made against them by judicial bodies?

**Mr BORBIDGE:** It is quite wrong for issues that still have to be finalised by a commission of inquiry to be canvassed in this place.

**Mr Elder:** No, that's got nothing to do with it.

**Mr BORBIDGE:** If the honourable member wants to talk about Westminster tradition, I could say a lot about the disgraceful and unethical antics of the Deputy Leader of the Opposition last week.

#### **Sunshine Motorway Toll**

**Mr CARROLL:** I refer the Deputy Premier, Treasurer and Minister for The Arts to comments by the Opposition Treasury spokesperson and former Transport Minister, David Hamill, that Queenslanders were paying \$26,000 a day over and above normal motorway costs since the tolls on the Sunshine Motorway were abolished by the coalition Government. Can the Treasurer tell the House what the real cost to Queensland taxpayers is since Labor's broken 1989 election promise over the Sunshine Motorway?

**Mrs SHELDON:** I thank the honourable member for his question. It is about time a bit of truth was told about this issue, but of course the Deputy Leader of the Opposition has a bit of difficulty telling the truth.

**Mr ELDER:** I rise to a point of order. I find those remarks unparliamentary and I ask for them to be withdrawn.

**Mrs SHELDON:** However, very appropriate.

**Mr SPEAKER:** The honourable member has asked for the comments to be withdrawn.

**Mrs SHELDON:** I withdraw. Labor's broken election promise—

**Mr Hamill** interjected.

**Mr SPEAKER:** Order! I will have some decorum.

**Mrs SHELDON:** Labor's broken election promise over the toll on the Sunshine Motorway in 1989 has cost Queensland taxpayers \$116m over the last six years. Labor's broken promise in 1990 has cost Queensland taxpayers this huge amount of money in interest payments over the six-year period. Queenslanders have paid in interest \$53,000 a day every day over six years because of Labor's broken promise. If the Labor Party had bitten the bullet and if Mr Goss had fulfilled his written promise to the people of the Sunshine Coast, Queensland taxpayers would have saved \$116m in interest payments.

**Mr Hamill:** Is this the argument that the Government should pay, not the taxpayer?

**Mrs SHELDON:** In 1990, the total debt on the Sunshine Motorway was \$85m, of which \$6m was interest. I can tell Mr Hamill that a further \$62m in interest has been repaid over the last six years, bringing the total interest bill over that time to \$122m. This means that the interest bill on the Sunshine Motorway—thanks to the Labor Party's broken promises—jumped from \$6m, when the Labor Party broke its promise in 1990, to \$120m in February when the coalition removed the tolls.

**Mr Hamill:** Who's paying for the extra \$9m?

**Mrs SHELDON:** Mr Hamill cost this State a massive interest bill of \$116m, or \$53,000 a day over six years. Had the Labor Party kept its promise, Queenslanders would have been \$116m better off.

The \$200m debt to the Queensland taxpayer has to be sheeted home to the Labor Party and the former Goss Government. It is a fact that roads are paid for every day by the Queensland taxpayer. Evidently, the Sunshine Coast was to be victimised by Labor. The people of the area were being given a special deal with three tolls on a road which most people traversed to go to work, to school and to run their ordinary, private business. In fact, numerous business people have contacted my office to tell me what they have

saved in business expenses since that toll has been removed and about the jobs they have been able to create as a result.

This year, the cost to the Budget of lifting the tolls will be \$4m in lost revenue. In the Budget we will announce the full repayment of the motorway debt. Indeed, the Leader of the Opposition is on record in the front page of the daily newspaper as saying that, if a way could be found of paying the debt on the tollway, he personally would lift the tolls. Therefore, let him put his honour—as we hear he is an honourable man—where his mouth is and support what the Government is going to do. I notice that the Leader of the Opposition is busily looking away, because he knows he took a political stand and I am now asking him to fulfil it.

If we had broken our promise the way Labor did, we would have been vilified across the State, but the coalition is not a Government that breaks its promises. We are still under fire, even though we have honoured a longstanding and very public election promise. The Labor Party is in Opposition because no-one believed it. It broke its promises and it broke the faith of the Queensland people. That is why Opposition members sit opposite like a lot of laughing hyenas.

I do not see why the people of the Sunshine Coast should pay twice for an arterial road, through their taxes and through the toll. The cost of the removal of the tolls on the motorway was \$4m in 1995-96 and will be \$7m in a full year. Prior to the removal of the tolls, the Transport Department was propping up the interest repayments to the tune of \$12.5m a year and trying to pay for them from the Gateway Bridge revenue; the tollway on the Sunshine Coast never paid its way. In fact, the figures show that the debt increased dramatically. In the State Budget on 10 September, the Government will set out exactly how that debt will be paid.

#### **Mr M. Heery; Mr R. Grenning**

**Mr BARTON:** I refer the Minister for Police and Corrective Services and Minister for Racing to an article in the *Courier-Mail* in which his personal Mundingburra operative, Matthew Heery, was quoted as saying that the Minister's former senior policy adviser, Russell Grenning, was asked to leave his employ because "he's turned out to be such a liar". Did the Minister not mislead the House in his earlier explanation of Mr Grenning's departure on grounds of ill health? Why will he not rule out a Government job for a self-confessed liar

like Matthew Heery when, according to Matthew Heery, he let Grenning go for the same offence?

**Mr COOPER:** Opposition members love getting into this sort of muck; they thrive on it. They always try to make something out of nothing. Who on earth said anything about my quotes to Mr Heery about Mr So-and-so or whatever? Whoever said there was any validity in it? I certainly did not. With respect to any of those things that might have been attributed to me, I certainly have nothing whatsoever to do with those statements—absolutely nothing! All Opposition members are trying to do is dredge up muck and rubbish. As I said, members opposite love to wallow in it. They can wallow in it all they like, but I am going to get on with the job. There is so much of real importance to be done, but that is not the sort of stuff that members opposite want to dwell on. The minds of members opposite are so tiny, dirty and filthy that they cannot even bring themselves to ask any decent questions. They always have to come up with this sort of stuff. Members opposite can take the stupid comments they have raised in this place, and they know exactly what they can do with them. I am going to ignore Opposition members.

#### **Trade Union Campaign; Railway Workers**

**Mr HEALY:** In directing a question to the Premier, I refer to industrial action by trade unions against the policies of the coalition Government, and I ask: can the Premier advise the House of any discontent amongst railway workers during this politically motivated campaign?

**Mr BORBIDGE:** I am aware of widespread concern from rank-and-file unionists at the increasingly political campaign being orchestrated for the benefit of the Labor Party in regard to a whole range of issues as this Government seeks to clean up the mess that was generated by its predecessors. The most telling example of how certain union leaders are massively out of touch with their membership was contained in a report of the *Toowoomba Chronicle* of 27 August. The article is worth bringing to the attention of the House. It stated—

"Angry Toowoomba rail workers yesterday accused the union movement of deserting them during the past five years, saying the Queensland Coalition Government had done more for them in six months than Labor had in two terms of government."

We hear a lot from members opposite about how they are the champions of the workers. I wonder whether the railway workers would like David Hamill back? Under the previous Government, we had the great masterstroke which closed down one-third of the Queensland Rail network.

**Mr Beanland:** A genius.

**Mr BORBIDGE:** The honourable member is a genius, as the Attorney-General reminds me. However, the workers are waking up. The article continues—

"The union rally at Willowburn, designed to condemn the State Government for its transport policy and industrial relations plans, turned into a forum for disaffected rail workers to attack the direction of the union movement.

A resolution to oppose recommendations of the Commission of Audit, proposed workers' compensation and the Federal Government's industrial relations reforms and planned complementary State legislation, was carried by the narrowest of margins.

And despite the closeness of the vote among the almost 100 workers, Public Transport Union (PTU) Southern district organiser Mr Warren Sherlock declined to count the numbers, declaring the motion as carried."

And members opposite talk about democracy! It was a case of, "Put your hands up, fellas. Carried. Righto, we'll support the Labor Party." That is the sort of democracy that members opposite and union leaders believe in.

**Mr Elder** interjected.

**Mr SPEAKER:** Order! The honourable member for Capalaba will be leaving this Chamber soon.

**Mr BORBIDGE:** The honourable member should listen carefully to this, because he was once a Minister for Transport. They remember the honourable member; they have not forgotten him. The article continues—

"Mr Gary Atkinson, a union member for 35 years, told Mr Sherlock the unions had 'sat on their a...' "—

the *Toowoomba Chronicle* did not print the rest—

"while Labor was in power from 1989 to early this year.

...

Mr Atkinson said rail workers had seen more of the Coalition's Transport

Minister Mr Vaughan Johnson than union representatives lately."

That demonstrates the falsity and political fraud of this politically motivated campaign against the Government which at present is being orchestrated by honourable members opposite and some of their mates, hacks and cronies in the trade union movement. Mr Atkinson went on to say—

"But we didn't hear one word of support from you blokes. The Coalition have done more in six months than Labor did in five years . . ."

Members opposite organised a rally to attack us, but it turned into a love-in. The article goes on to say—

"In the past month, Mr Johnson and Member for Toowoomba North Mr Graham Healy have visited Willowburn railway workshops twice—to save 18 jobs in the Diesel Maintenance Facility and to reconsider the future of 70 workers in the Rolling Stock Maintenance Facility who were looking at relocation to Brisbane under Labor."

Labor was going to take away those jobs. The railway workers of Queensland know that. They have seen the stark contrast in the six months of coalition Government. They have compared the basic decency and the way in which they have been treated by the Minister for Transport and his colleagues on this side of the House with the campaign they saw from honourable members opposite when they were in Government. How many thousand railway jobs did members opposite get rid of?

**Mr Johnson:** Six thousand.

**Mr BORBIDGE:** Labor got rid of 6,000 railway jobs during a term of office. That is the legacy of Labor—6,000 railway jobs.

**Mr Elder** interjected.

**Mr BORBIDGE:** The Deputy Leader of the Opposition interjects, but he had a shameful record as Minister for Transport. The shadow Treasurer was ready to close down one-third of Queensland Rail, all in the name of economic rationalism. I urge the trade union leaders of this State to listen to their rank and file. During the life of this Government, on not one occasion have union leaders sought a meeting with me only to have their request declined—not once. They could not get in the door to see the member for Logan. They could not get onto the fifteenth floor of the Executive Building. He would not see them. When I spoke at the State Public Services Federation AGM as guest speaker earlier this year, in the vote of thanks they said, "It's nice

to have a Premier who will talk to us. Thanks for coming along. The other bloke never did."

I suggest to honourable members opposite that they play a far more responsible hand. If they are going to be part of an alliance with politically motivated trade union leaders to bring on strikes in this State for no good reason when clearly there is no grassroots support for doing so, I say to the Leader of the Opposition and Deputy Leader of the Opposition—

**Mr T. B. Sullivan:** Seven minutes.

**Mr BORBIDGE:**—I have 31 minutes left, too—they will pay a very high political price.

### **Criminal Justice Commission; Sir Max Bingham**

**Mr BRADY:** In directing a question to the Premier, I refer to the hatchet job being done on the CJC by Sir Max Bingham, in which this one-time head of the CJC and former Liberal Deputy Premier of Tasmania accused the CJC of behaving like an alternative Government. Given that Sir Max revealed in a *Sunday Mail* interview published on 29 November 1992 that he would have loved to be Premier of Queensland, I ask: would the Premier now agree that Sir Max believed that he was the alternative Government when he was head of the CJC and is now delivering for that Government in office?

**Mr BORBIDGE:** What we have witnessed today is the typical Labor response of character assassination when someone widely respected in the community says something that Labor members do not like. I can recall one of the great champions of Sir Max Bingham in this Parliament when he was Chairman of the Parliamentary Criminal Justice Committee, namely, the current Leader of the Opposition. I would like to know whether the Leader of the Opposition endorses the remarks—the smear—made by his colleague. Interestingly, the Leader of the Opposition will not ask me the question; he bounces it down the line a bit so that the Opposition can have a go at Sir Max Bingham.

This is typical. It happened with the Commission of Audit when it handed down a report which was critical of the previous Government and which did not suit the Opposition's political agenda. We have seen the ongoing campaign to denigrate the workers' compensation reforms, which are designed to rectify the \$400m black hole generated by honourable members opposite.

When he was Chairman of the CJC, Sir Max Bingham was embraced almost daily by the current Leader of the Opposition. But when Sir Max says something that does not quite happen to fit into the Labor Party's quaint view of the world, we get this nonsensical question from the honourable member opposite.

I will just give the honourable member a bit of friendly advice. I do not like what happens when defeated Governments and discredited former Ministers become old and bitter. I say to the honourable member: do not become old and bitter. Be prepared to accept that we live in a democracy. Please be prepared to accept that someone like Sir Max Bingham can make a legitimate contribution to the public affairs of this State, and so he should.

### **State Budget**

**Mr HARPER:** I refer the Deputy Premier, Treasurer and Minister for The Arts to a press release by the Deputy Leader of the Opposition, Jim Elder, in which he states that Federal Budget documents prove that the Treasurer has been deliberately misleading Queenslanders about the Queensland Budget and that official Treasury and Commonwealth reports clearly show that the Treasurer has no justification to make cutbacks in the 10 September State Budget. I ask the Deputy Premier: will she please tell the House how the Deputy Leader of the Opposition got it so wrong?

**Mrs SHELDON:** With pleasure! What we saw from Mr Elder when he was acting Opposition Leader was that he had not read the Federal Budget papers at all. What he actually said was that the FAGs to the States had been increased and that this showed that the State was better off. What he should have done was look at the footnotes, which accurately said that while there had been an increase in the FAGs to the States, this was going to be reduced because of contributions being made by the States to the Federal Government. That was something that Mr Elder just forgot to see. From what was supposed to be a considerable increase in money to the State, we are going to lose not only the \$114m—

**Mr Elder** interjected.

**Mr SPEAKER:** Order! The member for Capalaba!

**Mrs SHELDON:**—that the State had to give back to the Commonwealth but also an unexpected extra \$20m cut to our FAGs, plus another \$40m to \$45m cut in the Better Cities Program.

**Mr Hamill** interjected.

**Mrs SHELDON:** If he bothered to look at what happened under the previous Labor Government, Mr Hamill would be aware that it had negotiated with the Commonwealth for an increase—as we rightly deserved—to take account of our increased population base. That has been taken away from us. If the very inept member opposite had bothered to read the Federal Budget papers properly, he would have seen that we now have to find \$240m that has been cut from this State by the Federal Government. While there may be an increase in the line items in the Federal Budget papers, the footnote said very clearly that we had lost that money and that for total growth in this State we are going to get only about \$12m. How anyone can expect the Deputy Leader of the Opposition to have any—

**Mr Elder:** I can read the Budget better than you can.

**Mrs SHELDON:** Then the member had better start, because so far he has shown an appalling inability even to add up, let alone read a Budget paper or know what a footnote is. If he cannot do it, he should get an adviser who can help him.

**Mr Elder** interjected.

**Mr SPEAKER:** Order! I warn the member for Capalaba under Standing Order 123A.

**Mrs SHELDON:** I say sincerely to the Leader of the Opposition that he should examine the ability of his deputy. If Mr Elder is going to comment on financial matters, he should enlist a bit of help. So far his efforts have been quite abysmal.

### **Sir Max Bingham; Police Service Report**

**Mr HAMILL:** I refer the Minister for Police to the *Courier-Mail* of 24 August, in which the Police Commissioner blames the Minister's office for the selective leaking of the Bingham report in an attempt to discredit him. I ask: why are the Minister and the other "Marionettes" associated with his office undermining the Police Commissioner in the same fashion as Bjelke-Petersen undermined Commissioner Ray Whitrod? Is this yet another example of the Minister's orchestrated campaign to pervert the administration of justice in this State?

**Mr COOPER:** I will again deal with the last part of the question first. The answer is: no. I am not fully aware of the article in the

*Courier-Mail* that members opposite are so consistently quoting, but I am not sure that my office was blamed for any selective leaking.

**Mr T. B. Sullivan:** Yes, it was.

**Mr COOPER:** We will have to have another look, won't we? We will have another look. It is unfair for members opposite to make that accusation, because there is no attempt to undermine the commissioner or anyone else. He has our full support, as do all of the other police officers—all the commissioners and all the other officers in the Queensland Police Service. They know very well where their support lies. We have tried all the way along to make sure that the police are supported, for the very reason that they can get out there and deal with the law and order problem in Queensland. There is a crime problem out there. That is where the inquiry stemmed from in the first place. We need a police force that is able to deliver a service to the people and to keep them safe. That is what the whole thing is all about—to make sure that we have a Police Service that is properly resourced and one that is looked after properly. All the reforms and reviews that have been undertaken in the past have been brought together in the Bingham review.

I believe that the member for Thuringowa was reliably quoted in an article in the *Townsville Bulletin* which stated—

"Member for Thuringowa Ken McElligott said yesterday his recent criticisms of police had been backed up by this week's Bingham Report into the Queensland Police Service.

Mr McElligott said the Bingham findings coincided with his impressions after discussions with constituents.

'I hope that the senior administration of the Queensland Police Service will react positively to Bingham's findings and not just seek to denigrate him as they tried to do to me,' he said.

'Even when Labor was in Government I found that senior police reacted very defensively when subjected to criticisms or questioning.

'It is very clear that the police service is not currently meeting the community's expectations.

'Obviously, those who exercise power and responsibility in the service were not going to listen to me but I hope they will take note of this report.'

That is what the report is all about. The 197 recommendations are designed to improve

the Queensland Police Service. They are designed to improve the service so that police can assist those who need protection and who want to feel safe.

As to the allegations by the Opposition that we are attacking people and trying to undermine them—that is a load of rot. It is scaremongering of the worst order. We know that. As far as I am concerned, we are going to get on with the job of implementing these recommendations as we move through so that we can improve the Queensland Police Service. That will be done without undermining anybody. Members opposite have made those accusations. They are totally false—unutterably false—and, I believe, grossly unfair as far as any accusations toward my office are concerned. They know it is wrong. They know that there is no undermining of those people. They do have our confidence. They are extremely good police officers. We want to ensure that all of those contracts are properly appraised and evaluated. That is the job. That is as it should be. Members opposite run away from accountability whenever it gets close to them, because they cannot stand it.

### Surgery on Time

**Mr MALONE:** I direct a question to the Minister for Health, the Honourable Mike Horan. The State Government has recently introduced the Surgery on Time program, a strategy designed to reduce effective surgery waiting times in Queensland's public hospitals. I ask: will the Minister inform the House of any results of this program to date?

**Mr HORAN:** One need look only at some of the achievements being made by various departments to see the difference between the coalition Government and the previous Labor Government. After six years and seven months of the previous Government, what attack or plan was there to reduce waiting lists? There was absolutely nothing, except a glossy brochure with 18 pages of definitions. I have told this House before about those definitions of "patient", "hospital" and "patient ready for care", and that was met with much hilarity and laughter.

I was asked what the coalition Government has done about that in the past five or six months. After three months in office, we announced the Surgery on Time program, and we had the courage and confidence to announce some definite targets. Those targets were, firstly, that by the end of December this year, 95 per cent of Category 1 patients, that is, those patients who are classified as needing elective surgery within 30

days, would have their surgery within 30 days. In other words, there would be no more than 5 per cent of the people outside that 30-day limit. In addition, we said that at the end of 1997, no more than 5 per cent of Category 2 patients, that is, those patients who are required to have their elective surgery within 90 days, would be outside of that 90-day time limit. That reduced dramatically the time that those Category 2 people would have waited for surgery under the previous Government.

The coalition announced the Surgery on Time program in June this year. As at 1 July this year, 49 per cent of Category 1 patients were waiting longer than the clinically recommended 30 days for their surgery. By 1 August, that is, 30 days later, that was reduced to 37 per cent, which represents a reduction of 243 long-stay Category 1 patients in the short period since the commencement of the Surgery on Time program.

**Mr T. B. Sullivan:** We had 3,000 extra people a week.

**Mr HORAN:** The member for Chermshire should listen. That represents a 44 per cent reduction in the number of all long-stay Category 1 patients. That is a real achievement, and I have cited the facts to back up that statement.

As at 1 July, 43 per cent of Category 2 patients were long-wait, that is, over 90 days. By 1 August, that was reduced to 39 per cent, which represents a reduction of 87 long-stay Category 2 patients in just two months. Again, this is a reduction of 4.5 per cent in the number of long-stay Category 2 patients. We are moving towards that target, which is to be achieved at the end of 1997.

I want to speak briefly about some of the management improvements that we have been able to bring in over that time.

**Mr T. B. Sullivan:** This is a ministerial statement.

**Mr HORAN:** The member for Mirani asked how the Surgery on Time project was going, and I have just given the figures for that.

**Mrs Edmond** interjected.

**Mr HORAN:** The Labor Party did nothing but produce a glossy book of definitions. I hope that the shadow Minister has read it to find out the definition of "hospital", because that might help her a little bit.

All 10 elective surgery projects have now commenced regular database reporting of elective surgery lists on a monthly basis. The new IT elective admission system is in place in

each hospital. The system has found things like the 600 elective surgery patients at the PA Hospital who were not assigned to scheduling lists, although they were on other hospital lists. This is an example of the new professionalism brought into Queensland Health by the coalition Government. All hospitals are now getting feedback on a monthly basis, and the 10 elective surgery waiting list coordinators are now in place.

It is with some pride that the coalition Government can announce that all 10 hospitals involved in the Surgery on Time project are on track to meet the particular targets that we have set them. The targets are tough; they are hard. The mob opposite did not have the courage or confidence to set targets like that and have a go at achieving them. All they did was bring out coloured booklets full of definitions. That is the real difference. We are a Government of achievers; we are delivering services. We said that we would get back to basics; we said we would provide services, and we said we would start to reduce the time that people are on waiting lists. That is what we got voted in for and that is what we are doing.

**Mr T. B. Sullivan:** Five minutes.

**Mr HORAN:** My seven-minute friend seems to like the countdown. He should be at Lang Park during the last 10 seconds of a game. He could start counting down, "Ten, nine, eight" and so on. That is about all he is good for. He has trouble when he gets to double figures.

I would like to mention some of the outstanding achievers of the 10 hospitals on the Surgery on Time program: the Gold Coast, Ipswich, Nambour, PA, Prince Charles, and Townsville Hospitals. I mention Rockhampton in particular, because it at times has had the longest waiting list of all 10 hospitals. Each of these hospitals is already significantly below the target, particularly in relation to Category 1 patients. I must also make special mention of the Prince Charles Hospital, which has been recording an outstanding result of zero waiting lists.

**Mr T. B. Sullivan** interjected.

**Mr HORAN:** It is in the member's electorate. He should have a bit of pride in it. He should talk the Prince Charles Hospital up for a change. What has been achieved there? The \$1.2m extra that we have given them in funding for the year enabled them to reach zero waiting lists outside the 30 days waiting list for Category 1 for cardiac patients. That is a great achievement by this Government, and

members opposite should have the goodwill to stand up and commend us for it.

In conclusion, the recognition for this really should go to the staff involved in Queensland Health, who first of all put together, under the direction of the coalition Government, the Surgery on Time program, and I would like to thank them for that. I want to thank particularly the doctors, nurses and administrators around this State who have cooperated in a substantial number of meetings with Queensland Health. We have had representatives of the directors of nursing, hospital administrators, medical superintendents and the various specialist groups throughout the State who have all come together with their ideas and their experience to develop this plan and ensure its success. We would like to thank them for it. I also want to thank the 10 waiting list coordinators who are doing such an outstanding job. We have set ourselves a very difficult task. It is pleasing to see that we are on track and that the 10 hospitals are on track to reach the target of reducing the time that Queenslanders wait for elective surgery.

**Sir Max Bingham**

**Mr FOLEY:** I ask the Minister for Police and Minister for Corrective Services to inform the Parliament how much the Government has paid Sir Max Bingham for his just completed review of the Queensland Police Service and how much he is to be paid for his role as head of the committee to implement the review recommendations and for his work as Deputy Chairman of the Queensland Corrective Services Commission.

**Mr COOPER:** The Opposition really has a set on Sir Max Bingham. As far as I am concerned, Queensland has received real value for money.

**Mr Foley:** Answer the question.

**Mr COOPER:** I am getting to it. I will answer the question in my way.

The remuneration of Sir Max Bingham was made fairly public at the time. The cost of the whole committee and its work was estimated to be about \$300,000. We announced that rough figure at a press conference at the time. The amount paid to Sir Max individually is available for the member's information, and I will certainly get it for him. There is no doubt in my mind—and it has been generally accepted—that the four months' work that they did was tremendous and that we got real value for money.

The amount of remuneration for being Deputy Chairman of the Corrective Services Commission can be provided for the member without any problem at all. Sir Max certainly operates on the smell of an oily rag. He does a hell of a lot of good work for very little money. He is very community minded, and most members opposite know that. Just because things have not worked out as they wanted them to, they are starting some personal denigration of the man. He can withstand all of that because he is bigger than the member and he has much more integrity than the member has ever dreamt of having. The member wanted to know about his financial background—what else?

**Mr Foley:** The facts, just the facts.

**Mr COOPER:** I have given a rough figure of the cost of the review and I can provide the member with the amount he receives from his deputy chairmanship. I think the member also wants to know just what remuneration he will receive from his role to implement the findings of that committee. That will be very much on a part-time basis. It will be overseeing the work that the committee has done to make sure that the work we get done is done effectively and that all assistance is given in order to ensure that those recommendations are implemented in the way they ought to be. The work has been done behind the scenes. His remuneration will be on a similar basis to the precedents set for remuneration for attendance at other meetings. He will not get anything above and beyond that; he does not want anything above and beyond that. All he wants to do is to make sure that the work they have set out to do is completed, and he will get that opportunity.

#### **Paramedic Ambulance Officers**

**Mr MITCHELL:** I direct a question to the Minister for Emergency Services and Minister for Sport. This week there has been news that more paramedic ambulance officers have joined the Queensland Ambulance Service. Could the Minister please outline what impact these new officers will have for the Queensland public?

**Mr VEIVERS:** Yes, the member for Charters Towers is correct. This week the Queensland Ambulance Service welcomed its second intake of student paramedic ambulance officers. Those 22 new student paramedic officers commenced their intensive 12-month course on Monday and will graduate next year. Next week, the State's first-ever batch of 23 student paramedics will sit their

final examinations. Those paramedic students are expected to graduate in November and will be based at locations throughout the State, namely, the Gold Coast, Ipswich, Logan, Brisbane, Toowoomba, Bundaberg, Nambour, Rockhampton, Townsville and Cairns.

The success of Queensland's paramedic ambulance officers, who first hit the streets on Christmas Day last year, basically has been clear for all to see. There are at least a dozen cases in which people are alive today in Queensland directly as a result of the efforts of the paramedic ambulance officers. In anyone's language—whether one is on the Opposition side of the House or this side of the House—it must be seen as an outstanding success.

Among the lifesaving cases was one that stood out. A young Gold Coast schoolgirl almost died after she was stung by a wasp. The early diagnosis was that the girl was within minutes of dying—probably closer, actually—when the ambulance paramedic crew arrived. Indications were that she certainly would have died before she reached hospital unless she received immediate treatment. The young girl was given a lifesaving injection of adrenalin, which can be carried only on paramedic ambulances, and, incredibly, 24 hours later the young girl walked out of hospital showing no ill effects from that attack. The paramedics said that the girl virtually came alive before their eyes.

Eventually the Queensland Ambulance Service hopes to have 400 ambulance officers qualified as paramedics. I assure the House that this Government is firmly committed to that happening. I also take this opportunity to inform members of the House that the Queensland Ambulance Service is also currently in a recruitment drive for new student ambulance officers. A series of career nights have been held in the past week and more will be held in the next week. On Saturday, 14 September, advertisements will be placed in most major newspapers and other media outlets throughout the State calling for applications. Successful applicants will be placed on a short list and will be offered positions in either of the two 1997 intakes. I point out for the benefit of the House that the second intake of student ambulance officers for 1996 will begin their three-year pre-hospital training course in October. They are doing a magnificent job.

#### **Carruthers Inquiry**

**Mr T. B. SULLIVAN:** I ask the Premier: given the importance of any inquiry into

allegations of corruption and electoral bribery, will he now in this Parliament categorically rule out the calling of an election prior to the release of the Carruthers inquiry report?

**Mr BORBIDGE:** I believe that honourable members opposite should allow the inquiry to report.

### Sir Max Bingham

**Mr HEGARTY:** I refer the Premier to today's extraordinary attacks on Sir Max Bingham, and I ask: can the Premier advise the House of what the now Leader of the Opposition said at the time of Sir Max's reappointment in 1991?

**Mr BORBIDGE:** I have been surprised by the sniping at Sir Max Bingham by the Opposition in this place this morning. My attention has been drawn to comments made in this place by the now Leader of the Opposition on 22 August 1991 at 3.05 p.m., when it was necessary for legislation to be introduced into this Parliament to clarify Sir Max Bingham's tenure. At that time the Leader of the Opposition said—

"I congratulate the Premier and the Government for introducing this legislation because it removes any technical doubt that may exist in relation to the term of Sir Max Bingham.

I have made no secret of the fact that I believe that Sir Max should be given—and, indeed, is being given—a three-year term."

Subsequent to that, my attention has been drawn to an article in the *Courier-Mail* of 21 March 1992, which says—

"In caucus, Beattie was and is a staunch defender of Bingham. He needs to be.

'People have been critical of my relationship with Bingham,' he said. 'A lot of people see Bingham as a former Liberal deputy premier and therefore as an enemy. That is just not Max Bingham.'

If the Leader of the Opposition is an honourable man, I suggest that he talk to his colleagues and affirm and reaffirm the comments that he made in this place in 1991 and in the *Courier-Mail* in 1992 instead of getting some of his lackeys to do the dirty work for him, as we see once again another blatant example of his duplicity and hypocrisy.

### Seniors Card Directory

**Mrs WOODGATE:** I refer the Minister for Families, Youth and Community Care to the 1996-97 Seniors Card Directory. In particular, I draw his attention to the fact that the section outlining State Government concessions has been deleted from that directory for the first time since the Goss Government introduced the Seniors Card and associated concessions and the directory. I ask: why has this section been deleted? Has it in fact been deliberately deleted from the directory? Were the inserts providing the information on State Government concessions printed at the same time as the current directory? Will the Minister give an undertaking to this House that all future Seniors Card Directories will contain this information, not as an insert?

**Mr LINGARD:** In the next Budget, this Government will certainly give a lot of emphasis to seniors, and the Seniors Card will be much improved from what it was when the ALP was in power. There is no doubt that the seniors of this State will be most impressed with the concessions that we will be able to give them, particularly those people who will be entitled to the Seniors Card and who previously were not entitled to it.

The honourable member mentioned the insert in the directory. As she knows, that is being restructured and will be in place for the next Budget when it is announced.

### Asbestos

**Mr WOOLMER:** I refer the Minister for Public Works and Housing to media articles in the *Sunday Mail* and the *Queensland Times* referring to asbestos, and I ask: are the statements made by the Opposition in those articles a true reflection of the Government's policy on asbestos in Queensland?

**Mr CONNOR:** Because of the time, I seek leave to table my answer.

**Opposition members** interjected.

**Mr SPEAKER:** Order! The Minister will answer the question.

**Mr CONNOR:** The Ipswich Hospital's asbestos audit by SIMTARS was completed in June 1996. A building management plan has since been compiled and delivered to Ipswich Hospital in August 1996. There were six instances of "immediate removals" identified at Ipswich Hospital during the latter part of the audit. All instances identified were located in remote areas and can be accessed only by

tradespeople. All areas have been subject to risk analysis and labelled with "caution" signs.

**Mr SPEAKER:** Order! The time allotted for questions has expired.

## MATTERS OF PUBLIC INTEREST

### Criminal Justice Commission

**Mr BEATTIE** (Brisbane Central—Leader of the Opposition) (11.28 a.m.): The Fitzgerald report into political and police corruption led to the National Party Government being kicked out of office by disgusted Queenslanders. It contained this warning, "If the community is complacent, future leaders will revert to former practices." I am warning all Queenslanders today that this leader—National Party Leader Rob Borbidge—is doing exactly that. He is reverting to former practices. In doing so, he is being aided and abetted by the Police Minister, Mr Cooper. Let us be blunt. The State Government is holding a gun at the head of the CJC and the Police Service. That is exactly what is happening.

The judicial review announced by the Attorney-General, Denver Beanland, is designed to do one thing and one thing only, that is, save the hide of Russell Cooper, who is before the Carruthers inquiry. Mr Beanland's pursuit of the destruction of the CJC is a political sham and nothing more. The State Government is running an orchestrated campaign against the CJC and senior police, which is designed to save Russell Cooper. The relics of the past are being trotted out to try to save Russell.

This morning, a former Police Commissioner, Mr Newnham, entered the fray. The *Courier-Mail* should be condemned, as should Mr Newnham, for ignoring the fundamental recommendations of the Fitzgerald report. On page 339, that report stated that Mr Newnham was appointed as the first commissioner on an interim basis. His contract was treated in the way that Tony Fitzgerald said it should be treated. Mr Newnham was not treated in an adverse way. He was treated in the way recommended by Tony Fitzgerald. I refer the Government and the *Courier-Mail* to the Fitzgerald report. They should read it; it is a good document. Reading it will provide them with some understanding of what that document means.

I will return to Sir Max's position a little later, because he, too, is being used by the Government in a cynical move to orchestrate its campaign against the CJC. I make no apology for saying that. I have been a consistent supporter of the CJC since its

inception, when I was the first Chair of the Parliamentary Criminal Justice Committee. My support for the CJC continues today, as it did in 1989, 1990, 1991 and 1992. I am not prepared to sit by and see this Premier or this Attorney-General destroy the CJC and the reform process that Tony Fitzgerald started. I am not prepared to stand by silently and see people manipulated in that process, whether it be Sir Max Bingham or Noel Newnham. In the past, I have supported their behaviour.

The corridors of this Parliament are echoing that the person whom the Government is going to appoint to head this inquiry will be none other than Mr Peter Connolly. Who is Mr Connolly? He is the former Liberal member for Kurilpa. Only recently, he wrote an opinion for the Honourable Police Minister's QC during the Carruthers inquiry. That opinion was favourable to Mr Cooper, yet Mr Connolly is being touted as the person who will be recommended to head the inquiry. As a former Supreme Court judge, he is steeped in the Queensland judicial system. As a former Liberal Member of Parliament, he is steeped in Queensland's conservative politics. I remember well that he has also been a critic of the CJC, so he is hardly an impartial person fit to carry out the job. The CJC values its independence; I value its independence; the Opposition values its independence, and so should this Parliament. Therefore, anyone examining the CJC must be seen to be independent and must be independent.

When the CJC cast around to find someone to investigate the memorandum of understanding, it went interstate to find somebody appropriately qualified and somebody who was seen to be independent. Far be it from us to question Mr Connolly's independence, but it would be unwise for this Government to appoint him and it would be possibly damaging for his reputation if he were used, not unwittingly, by the Government, which is seeking to find a willing tool to help wind back the Fitzgerald process.

The Opposition agrees that a body with the powers of the CJC ought to have those powers reviewed, but now is not the time. More importantly, it must be reviewed by the body that was set up to do that job by Tony Fitzgerald and the Criminal Justice Act, which was supported by all members of this Parliament in 1989. Who was given the role of reviewing the CJC? It was given to the Parliamentary Criminal Justice Committee. A committee of this Parliament was given that role. It is an all-party committee comprising members of the National Party, the Liberal

Party and the Labor Party. Why are Mr Borbidge and Mr Beanland not allowing due process to be followed? Why do they have no confidence in Vince Lester and his committee? The reason is that they want a political outcome.

It is absolutely outrageous that the Government should have the audacity not only to set out to destroy the CJC and the senior police in this State but also to set up a further inquiry into the Davies matter. That is outrageous, because the CJC, on Mr Beanland's insistence as the then Opposition spokesman, completed that investigation before the Mundingburra by-election. It was Mr Beanland who called for that matter to be resolved so that the people could know the outcome before the by-election. Mr Beanland got his way. The CJC found that there was insufficient evidence; it made a determination as he requested. Now that he does not like the decision of the independent umpire, he goes outside the independent umpire to try to obtain the result that he wants.

**Mr Braddy:** No new evidence.

**Mr BEATTIE:** That is right; there is no new evidence.

The Opposition referred to the CJC a matter involving the then shadow Minister for Health, Mike Horan, and the Health Tripartite Forum. I referred that matter to the CJC a second time because new evidence had come to light. Does Mr Beanland's resolution include a reassessment of the matter involving Mike Horan? Of course not! What did the CJC find in relation to that matter? It found that there was insufficient evidence to proceed with the matter further. That is exactly the same manner in which the Davies matter was treated. Why is the Davies matter being treated differently from the Mike Horan matter?

**Mr Hamill:** Grubby politics.

**Mr BEATTIE:** It is indeed grubby, baseless politics. The Government is seeking to pull down the fabric of the criminal justice system in this State for crude political purposes. What other inquiries will be reopened? Will the Joh jury matter be reopened? Will the Ray Connor matter be reopened? If we are to return to closed CJC inquiries, where is the limit? Not one sensible thinking Queenslander in this State does not believe that Sir Joh Bjelke-Petersen rorted his trial. Why not reopen the Joh jury matter and put Sir Joh back on trial? If the Government wants to play base politics, let us have a re-examination of all those matters.

In the past few days, we have seen a disgraceful performance. It is about time the *Courier-Mail* decided that it will not be intimidated by this Government. This Government set out to intimidate the *Courier-Mail*. Having read the *Sunday Mail* yesterday and the *Courier-Mail* on Monday and today, I must say that I believe that the Government's intimidation is starting to take effect. It cannot allow this Government to destroy the fabric of the criminal justice system and the recommendations by Tony Fitzgerald in his report.

As to Sir Max Bingham—he is a person for whom I personally have a great deal of respect. He knows as well as I do that he is being used in this process against the CJC. He was brought into the process by being part of an inquiry that circumvented the CJC. The inquiry that he headed should have been conducted by the CJC. I warn Sir Max to be careful because those leopards have not changed their spots; it is in their genes to be corrupt. They cannot help themselves: it is a genetic condition that is irreversible and hereditary. Nothing can be done about it. He needs to be very careful because they will use all people who are prepared to be used against the good citizens in this State.

Time expired.

### Pyramid Selling Schemes

**Mrs GAMIN** (Burleigh) (11.39 a.m.): I am absolutely fed up with supporters of pyramid selling schemes using my name and pretending that I am an advocate or supporter of such schemes as Joker 88, Pentagona, Golden Sphere and a new one, which I heard of only last week, Austnet. Just a few days ago, I received a telephone call from a woman who had attended a promotional meeting at Gatton for the Austnet scheme. The meeting was told that member of Parliament Judy Gamin was strongly supporting the scheme and would be introducing it to the Gold Coast.

This is a gross falsehood and it is not the first report that I have had of such misrepresentation. Every time I have tried to track down the names of the people who are doing this, the information dries up. However, I assure the House that, if I can identify any person who is using my name in this way, I will take legal action.

About six months ago I issued a press release to my constituents with my usual twice-yearly warning to beware of chain letters and pyramid selling schemes. They are illegal; they prey on the gullible; they are schemes which

benefit only the promoters. I issue those warnings regularly and, because the Department of Consumer Affairs identified Joker 88 as being of particular concern, in turn, at the end of February I identified it in my public warning.

Since then my electorate office has been inundated with calls from supporters of Joker 88 and other schemes all wanting to promote them, all telling me that they are the greatest money makers of all time. Calls are still coming in at the reduced rate of five or six a day from Cairns to Melbourne and from Darwin to Perth.

Under the Pyramid Selling Schemes (Elimination) Act 1973, pyramid selling is illegal in Queensland. There is consumer protection legislation in other States. Such schemes are also covered by section 61 of the Commonwealth Trade Practices Act. The Queensland Government will shortly tighten up its own legislation to bring this State into line with the Commonwealth and almost all other States and Territories.

In early March I put together a kit of consumer affairs advice for people who were making inquiries about pyramid selling. Included in the kit was a letter from a leading firm of solicitors that gave an opinion at my request. My office distributed about 100 of those kits and since then we have been distributing advice from the Federal Minister for Small Business and Consumer Affairs, which reiterates the illegality of pyramid selling under the Commonwealth Trade Practices Act and advises that all State and Commonwealth consumer protection agencies have joined in warning against pyramid selling schemes.

However, supporters of a variety of illegal pyramid selling schemes have copied and recycled that solicitor's letter to me and are circulating it very widely throughout Queensland and other States. In doing so, they are deliberately misrepresenting the information contained in that letter. I also suspect that false information is being circulated widely that has been bodgied over my signature and below my letterhead—a cut-and-paste job—purporting to be support for these schemes from me. That is forgery. I repeat that, if I could identify any persons who are misrepresenting me in this way, I would certainly take legal action. I know that the firm of solicitors that was kind enough to provide me with an opinion would do the same if it had the opportunity. That opinion has been overtaken long ago by subsequent advice from State and Commonwealth Ministers whose job it is to deal with consumer protection.

Recently in the United States a pyramid investment scheme called Fortuna Alliance was busted after the promoters skipped to South America, having ripped off US\$11m from 25,000 investors in 64 countries. More than 2,000 Australians, including some Queenslanders, lost their money in that scheme. Warrants have been issued for the arrest of the promoters.

People are usually introduced to pyramid selling schemes by friends or colleagues. For most of them, people buy a \$50 certificate from someone else who is in the scheme already. They then send another \$50 straight to the promoters offshore—Italy, Germany, Vanuatu, the United States or wherever. The certificate they have bought lists the names of seven people and the name at the top of the list has a bank account number and codes. They send another \$50 to that person's bank account and send the bank deposit slip to the offshore promoters to prove that they have paid. Now the punter has spent \$150. In return, they receive three certificates with their name in the seventh place. The names on the first certificate will move up a notch. At this point the punter could get back the \$150 by selling the three certificates. In fact, they need to sell all their certificates to bring more people into the scheme. As more and more people enter, the punter's name gradually rises to the top of the pyramid. At that stage, if everything goes to plan, 2,187 people will then deposit \$50 into the nominated bank account which will be \$109,000 richer.

Of course, each one of those 2,187 who have paid that person \$50 will confidently expect to receive \$50 themselves from 2,187 people as each reaches the top of the pyramid. By now, that is up to about half a million people. Taken to the ultimate, Australia would not have nearly the population to support all the schemes that are going around. Apart from being stupid enough to invest in the scheme in the first place, one is even more stupid if one gives one's bank account details to strangers. That information is circulated to unknown parties. Consumers should be wary about providing that sort of information to anyone.

All of these schemes—Joker 88, Broker 96, Golden Sphere, Pentagona, The Peoples Network, Fortuna, Edward L. Green—rely on new investors being sucked in to generate returns for those at the top. The Queensland Commissioner for Consumer Affairs says that those schemes develop a cult mentality, with the promoters and their followers convincing themselves they have discovered some new money-making secret. Some participants

become obsessed and are exploited by scheme promoters. Some participants enter these schemes multiple times. The promoters are the ones making the money: those coming in at the end get nothing. Eventually, these schemes overheat, become super-saturated and collapse. Then another scheme flares up and the roundabout goes on.

Recently, after a long absence, on the Gold Coast the Aeroplane Scheme has resurfaced. Secret meetings have been held at Nerang. That scheme is quite expensive; it costs \$750 to join at the bottom. Fortuna supporters in the United States organised letter writing campaigns and lobbied to try to protect their scheme, as have the promoters of similar schemes in Queensland. Supporters of Joker 88 issue promotional material claiming the scheme is legal because of a court decision in Germany, or because it is an arm of the German Government through the lottery system. However, the German embassy has advised the Victorian Office of Fair Trading and Business Affairs that this information is not correct and that those claims are not true. Regardless, the fact that a particular scheme may be legal in another country is totally irrelevant as to whether that scheme is legal in Australia.

The scheme called Golden Sphere is a local, home-grown product which originated on the Gold Coast earlier this year. It is a copycat of Joker 88. The money is shifted offshore to Vanuatu. The Vanuatu Government has pledged an investigation into complaints against such schemes. Attempts to flush out the promoters or owners are difficult because they enjoy confidentiality under Vanuatu's International National Companies Act. However, the Vanuatu Financial Services Commissioner has said that he would move on any complaints about Golden Sphere's operations from the Australian Securities Commission or an Australian Government body. Vanuatu will act if any international company acts outside the spirit and intent of the legislation.

In this country, Government consumer protection agencies have been in the firing line from people accusing them of trying to stop the battler from making a profit. Others say that Australian Governments should get into the action and set up pyramid selling schemes themselves. Some complain that all the publicity is damaging the schemes and preventing them from making money. I have to say that the publicity about Joker 88 and all the other schemes has mostly been engendered by the supporters of the schemes themselves as they try to convince new

participants that they should join. However, the public is being fed false hopes, being given misinformation and conned into spending hard-earned dollars on schemes that will work only as long as more battlers are sucked in at the bottom. Of every \$150 invested, \$50 goes offshore straightaway. Nothing of any value is produced for Australia.

In conclusion, I repeat that I am not only disturbed but also I am very angry at the way supporters of illegal pyramid selling schemes are misrepresenting the legal opinion given in good faith by a leading law firm. I am very angry indeed that my own name is being misrepresented and, in fact, falsified. I warn those people that, if they can be identified to me, I shall most certainly take legal action to prevent this misrepresentation.

### **Criminal Justice Commission**

**Hon. M. J. FOLEY** (Yeronga) (11.49 a.m.): The administration of criminal justice in this State is under threat from this Government's attacks on the Criminal Justice Commission at a time when two senior Ministers are having their conduct scrutinised by the Carruthers inquiry.

The lessons of history and geography are very plain. If one looks to Queensland history, one sees the 1956 National Hotel commission of inquiry into police corruption, the 1977-78 inquiry chaired by Justice Lucas into the enforcement of the criminal law and the 1987-89 Fitzgerald inquiry—all of them designed to attack corruption. We now know with the benefit of that history how vital it is that there be an independent anti-corruption body to attack corruption in the police force and among public officials.

If the lessons of history are not enough, the lessons of geography are even more compelling. One need only look south of the Tweed to see the endemic corruption in the New South Wales police force that is the subject of a royal commission at this very moment. The lessons of history and geography are that, as a community, we should be vigilant about corruption and we should be supportive of those institutions which attack corruption. Therefore, it is very disturbing that the Government is embarking upon this desperate rearguard action against the CJC merely because two of its senior Ministers find themselves in a spot of bother before the Carruthers inquiry.

In this regard, it is instructive to look at the statutory functions that the Parliament conferred upon the Criminal Justice

Commission. In particular, I refer to section 2.14(1)(a) of the Criminal Justice Act 1989, which provides that the commission shall—

". . . continually monitor, review, co-ordinate and, if the Commission considers it necessary, initiate reform of the administration of criminal justice."

That is the job which the Parliament gave it; it is a job which requires support from political leaders and it is the sort of job about which there should be political consensus. Indeed, the fundamental architecture of the recommendations of the FitzGerald report contemplated that there be an all-party parliamentary committee to achieve some broad political consensus so that the evil of corruption which has stalked this State for more than four decades be resisted and resisted effectively.

However, what is the evidence? We have seen several examples of the Government going around the CJC and its statutory duties, and a most recent example of what can only be an attempt to dismantle the CJC. What is the evidence in respect of the Government going around the CJC? Firstly, there is the appointment of the review committee chaired by Sir Max Bingham into the Queensland Police Service. That committee carried out the very functions that are set out by the Parliament in the section which I have just quoted as being the responsibility of the Criminal Justice Commission. Now we see a second committee set up, which is designed to go around and usurp the role of the Criminal Justice Commission. This time, it is an implementation committee chaired by Sir Max Bingham. The relationship between that committee and the statutory function of the Criminal Justice Commission should be of profound importance to members of this Parliament and to the community at large.

Those two examples of the Government going around the CJC are matters that should cause one to be disturbed. Of even more concern is yesterday's announcement by the Attorney-General that he proposes to implement a judicial inquiry into, among other things, allegations by Mr Davies, a former member of Parliament. Those allegations were investigated by the Criminal Justice Commission. It is the commission's statutory function to investigate those allegations. However, because the Attorney-General did not get the result that he wanted, he now seeks to set up a judicial inquiry to achieve that result. That is a most disturbing development. Any such judicial inquiry must be seen as politically tainted from the outset. It

is an attempt by the Government to use its executive power to revisit a matter which was the subject of a proper investigation by the proper statutory authority. It is a very dangerous precedent for any Government to attempt to set up a judicial inquiry above and beyond the standing statutory body. As the Leader of the Opposition said, if one went down that path one could, for example, set up another judicial inquiry into the Joh jury matter. If the result of the Carruthers inquiry was not to its liking, a future Government could, on this precedent, be tempted to set up another judicial inquiry to seek the result that it wanted. Those examples demonstrate the absurdity of adopting this political approach. Any such judicial inquiry must be politically tainted from the outset.

That argument is reinforced by the fact that the Attorney-General referred to the structure of the CJC, including such things as the Witness Protection Division, as being the subject of review. That is the very thing which the Parliament has contemplated should be the subject of review by an all-party parliamentary committee, namely, the Parliamentary Criminal Justice Committee. It is very important that that due process be followed, because it serves to create a political consensus that musters the forces of the community to attack corruption. This Government is fracturing that consensus and, as such, is behaving in a most irresponsible way.

The actions of the Government have to be seen in the context of a number of structural moves that it has made to weaken the fight against corruption. The Government has scrapped the strong anti-corruption provisions in Labor's 1995 Criminal Code. It is seeking to destabilise the senior ranks of the Queensland Police Service by advertising at the end of each contract period. It is foreshadowing budget cuts which would result in the suspension of one of the three Criminal Justice Commission teams investigating allegations of police misconduct and misconduct by public officials. Initially, the Government sought to destroy the independence of statutory office holders such as the Director of Public Prosecutions through the Public Service Bill and in a disgraceful hit list, only to be forced by public opinion to preserve that independence. The most sinister Government attack was made through the memorandum of understanding which sought to destroy the role of the Criminal Justice Commission as the independent body which investigates complaints against police.

Where was the Attorney-General when that was happening? He was not giving the sort of strategic advice that an Attorney-General should give, but was simply following the orders of his National Party political masters. He is rather more an attorney-corporal than an attorney-general. One expects the Attorney-General and Minister for Justice to speak out in defence of the legal system. Instead, we have had silence, while the independent office of the Director of Public Prosecutions was subject to the spectre of instant dismissal under the Public Service Bill. That independence, and the independence of the legal system generally, is very important if we are to maintain a strong combat against corruption.

Time expired.

### **National Child Protection Week**

**Mrs WILSON** (Mulgrave) (11.58 a.m.): Honourable members will be aware that this week is National Child Protection Week. I believe that it is timely to reflect on the purpose of the week as a reminder of the importance of proper care and protection of our children. National Child Protection Week is a joint project of Governments, community organisations and the corporate sector. This Government has a very deep commitment towards strengthening, supporting and protecting children in a number of ways.

It is appropriate that legislation is being processed through the Parliament this week which, if passed, will see this State become the first Australian State or Territory to have a children's commissioner. The Honourable Minister for Families, Youth and Community Care has taken a close personal interest in the progress of the Bill which has been formulated following intense research, consultation and study. It is also timely to mention Queensland's and Australia's representation at the World Congress Against Commercial Sexual Exploitation of Children held last week in Stockholm, Sweden. Mr Norman Alford, a senior researcher with the Minister's office, was the Australian representative at this first world congress, which saw Australia become a signatory to the Declaration and Agenda for Action. The congress was attended by some 1,200 delegates representing 120 countries. The Declaration and Agenda for Action is tantamount to a commitment by the global community to the elimination of the commercial sexual exploitation of children.

I firmly believe that it is essential for the people of every country in the world to realise the full extent of this cancerous practice. The

child sex trade is a multi-billion dollar enterprise, challenged in financial terms only by the drug trade. That is a fact that has enormous ramifications for our society and society globally. Over the past week, the Stockholm congress has been at the centre of world attention. The challenge now is to join with other countries that attended the congress to do everything possible to fight this insidious industry. I quote the words of Her Majesty Queen Sylvia of Sweden, the patron of the congress, who said—

"Much has been achieved during this Congress, but the most important work remains to be done."

She told the delegates—

"When you return home, you must make the words of the Declaration and Agenda for Action come alive. Implementation units which provide for the broadest possible participation should be established, as well as the coalitions which build bridges between non-government agencies, governments, the private sector and all other disciplines represented."

As Her Majesty so rightly pointed out, more and more Governments are following the international trend to adopt legislation which outlaws the production, distribution and possession of child pornography. Computer experts are finding new ways to use technology in order to identify and apprehend criminals who operate in cyberspace. And in the vital area of mental health, professionals are developing new methods of treatment for both child victims and offenders.

Although the child sex industry in Queensland has not reached epidemic proportions as it has in other places, it is important that we do everything in our power to minimise or, preferably, to eliminate it. National Child Protection Week is an appropriate time for all of us to focus on child abuse of any description. The Honourable the Minister for Families, Youth and Community Care has recognised the need for this Government to play a pro-active role in the fight against child abuse. In May this year, as a part of a resolution of this Parliament, the Minister established a Child Sexual Abuse Hotline within his department. Since that time, the hotline has registered some 300 calls. Almost 70 per cent of the callers have been adults telling about the abuse they suffered as children, some as far back as 60 or so years ago. Ten per cent of the callers had never before talked to anyone about the abuse they suffered.

When working at a TAFE college, as part of my course I spoke about child abuse. At the end of a session with some 22 students in one class, 9 of those 22 students had spoken out about their abuse as youngsters by someone in their family—9 out of 22! However, that is just the tip of the iceberg.

Returning to the hotline—only two callers to the hotline reported abuse by people unknown to them. The remaining 298 were abused by someone in a position of power or respect. Offenders included parents, step-parents, brothers, sisters, relatives, family friends, school teachers, sports coaches, clergy and care providers. Thirty per cent of callers had knowledge that their offenders had abused more than one child. Twenty per cent of child victims reported having been offended against by more than one adult. One caller had been offended against by no fewer than seven relatives.

I cite the case of one of the people working for me at a day care centre who told me that both her and her sister had been abused by their father from the age of eight through to the age of 15 or 16 when they left home. Neither of the sisters had talked about this abuse at home, and it was not until the husband of one of the sisters talked about it to the other sister when she was 36 years old that the sisters discovered that they had both been abused by their father. That is the sort of thing going on in our society.

Those statistics should not and will not merely find their way into some fact file that will gather dust on the shelf. The impact and lifelong effects of childhood abuse cannot be ignored, nor can they be underestimated. Callers to the hotline reported that low self-esteem in adulthood had led to difficulties in relationships, addiction to alcohol and drugs, mental and physical health problems, criminal behaviour, employment difficulties, violence, anger and general mistrust. It is only today that some of these people are talking about these things openly and are gaining some self-respect.

One of the most disturbing patterns to emerge from the Child Sexual Abuse Hotline, given the genuine concern on the part of the callers, is that their problem is a national tragedy. When a child experiences the horrors of sexual, physical or emotional abuse, the future of our nation also suffers. In Queensland, we must work to prevent the continuation of this tragedy. Today's children will be tomorrow's leaders, educators and parents. We must nurture them by giving them meaningful and caring relationships with

adults, a positive legacy, respect and every hope for a life filled with potential.

The theme of this year's National Child Protection Week is "Children grow with love and care". What a powerful theme for our State! In far-north Queensland, many activities are going on in shopping centres throughout the area to promote the theme of "Children grow with love and care". Work to promote a Parent Line is being carried on in north Queensland. In addition, promotion is being conducted through advertising by Malanda Milk on its milk cartons. The aim is to make people aware of National Child Protection Week and the implications for young people of child abuse. I am sure that honourable members will agree that this is a most appropriate theme for such a week and, hopefully, it will be continued and happily adopted by the Government.

We must continue to work towards achieving a better life for our young people. Memories do not fade very quickly, and a number of adults in the community now bear the brunt of what happened to them as young people. It cannot continue.

### Timber Industry

**Mr DOLLIN** (Maryborough) (12.07 p.m.): I wish to address a matter of public importance which is the cause of much concern to the citizens of Maryborough, the Wide Bay region and, for that matter, most of Queensland, namely, the proposed locking up of 15 per cent of natural forests existing prior to 1750. If this proposal were to be carried out to the letter, it would ruin the economies of many regional towns across Queensland, in particular Maryborough.

There is a strong belief throughout the timber industry that, within the next two weeks, the Honourable Minister for Natural Resources, Mr Hobbs, will sign the Howard Federal Government agreement which states that a 15 per cent lock-up is desired, and that this lock-up will remain as part of the agreement.

**Mr Stephan** interjected.

**Mr DOLLIN:** For the information of the honourable member for Gympie, I point out that I am fully aware that the previous Federal Government drew up this policy and that it was signed by all other States. Although this policy had little effect on most other States and their hardwood industries, the Goss Labor Government was concerned about the possible loss of 2,000-plus jobs and set up a board to investigate the economic, scientific and environmental impacts of carrying out the

policy. Before the board had time to report, we had a change of Government, because the present Government bribed its way into power.

I and the people in the timber industry desperately want to know whether the State Government will lock up a full 15 per cent. If that is not the case, what percentage of the full 15 per cent will be locked up? It is time the Government stopped having two bob each way and gave clear signals to the industry so that it can get on with business. In addition, the threat of the privatisation of all forests is of great concern to the timber industry, and ought to be of great concern to the member for Gympie. It would devastate him.

I ask the Government: who will end up owning the people's assets? I imagine that an offshore company will probably take over our forests. The Federal member for Wide Bay, Warren Truss, added his two bob's worth in today's *Maryborough Chronicle* when he stated that the Queensland Primary Industries Minister, the Honourable Trevor Perrett, told him that the Goss Government had agreed to sign the 15 per cent Keating lock-up but his Government had totally rejected it. I hope that that is true. I hope that it has been totally rejected.

**Mr Stephan:** We will reverse it for you. Don't worry, Bob.

**Mr DOLLIN:** I hope that the Government does.

I am not sure who is being untruthful about this—Mr Truss or Mr Perrett. To prove my point, I will read a question on notice that I asked of the Minister and the answer that I received from him. I asked the following question on 16 April 1996—

"With reference to his recent announcement that he was dumping the 15 per cent retention of pre-1750 forests—

1. Has he been able to convince the Premier and Prime Minister Howard to accept his decision in this matter?
2. When will he be able to assure the timber industry that they can get on with developing their business and employing people?"

Mr Perrett answered—

"My statement not supporting the 'locking up of 15% of the forests and woodlands which existed pre-1750' reflects the position of the Queensland Coalition Government.

I note that the 15% criterion was not supported by the former Labor

Government in Queensland. In its draft reports, the JANIS Technical Working Group, an inter-governmental group charged with recommending broad reserve selection criteria consistent with the process established in the National Forest Policy Statement, also has not supported the 15% . . ."

So either Mr Perrett was telling an untruth when he spoke to Mr Truss or Mr Truss is telling an untruth, or they are both telling lies.

I ask the Minister for Natural Resources to release the percentage of lock-up he intends for the Wide Bay region this week, before signing the Howard agreement. It is the Howard agreement now. We have coalition Governments in power at both the State and Federal levels. Never mind talking about former Governments; the coalition is now in Government. This is its policy. Coalition members have been hanging around this place for about nine months and they have done nothing, so it is about time they did something.

**Mr Veivers:** Hold on—six. You're wrong again!

**Mr DOLLIN:** It seems like nine!

As I said, I ask the Minister for Natural Resources to release the percentage of lock-up he intends for the Wide Bay region this week, before signing the Howard agreement. I ask also: if our region is to lose this resource, will the Government put in place a similar compensation package to that offered by the Goss Labor Government to workers and businesses adversely affected by the cessation of logging on Fraser Island? Or will the Government throw the workers to the dogs, as occurred in the case of 500 sandminers when the Fraser Government shut down sandmining on Fraser Island?

I will now read some of the statements that members of the Government have made to the media regarding this issue. I am sure that this will allow honourable members to understand the anger and disbelief of the citizens of Maryborough at the Government's backflip on all the commitments that it gave prior to and after the election. One article carries the headline "Lock-up of forests doomed". It states—

"The former Federal Government's National Forest Policy will be dumped.

Queensland Primary Industries Minister Trevor Perrett said that the State Government would not be party to locking up 15 per cent of pre-1750 forests.

Speaking at a Forest Industry Training and Education Consortium dinner on Thursday, he said that the State Coalition favoured an ecologically sustainable forest industry for native and plantation forests"—

except for the fact that it is going to sell them off. The article continues—

"The ALP's policy would have devastated the Queensland timber industry, closing about 40 sawmills and costing thousands of jobs, he said.

'As far as I'm concerned as Minister in charge of the Queensland Forestry Service, that horrendous ALP timber policy will be consigned to the waste paper bin.'

Mr Perrett said he would be asking federal Primary Industries Minister John Anderson to take similar action."

That is what I hope we will get, but it does not appear as though that is what we are going to get. Members opposite are so good at doing backflips that I am sure they could all get a job in the Russian circus! They have done a backflip on just about everything. We have seen them do it on the school cleaning issue, and no doubt we are going to see them do it again. They did it yesterday evening. I can tell by the looks on their faces. They could not eat their tea. It would not go down. Members opposite were choking because they know they are going to have their bellies scratched out when they go back to their electorates. I will send another little letter down for Lennie boy. I ask the Minister to respond to that in an honest way as soon as he can.

I wish to raise another matter. I would be amazed if members opposite knew about it. If they did, I would be absolutely amazed if they agreed with it. Members would be aware that Mr Hobbs is very much in favour of sticking the plough into the flood plains of the Cooper. He is very much in favour of damming the Cooper, which runs once in three years. He is very much in favour of growing cotton where we are currently producing green, clean beef which is being sold at a premium overseas.

**A Government member** interjected.

**Mr DOLLIN:** That is the proposal. If the member thinks that will not occur, he should wait until Howard talks to the Government. It will do a backflip. We have already seen the Murray-Darling absolutely ruined, yet this Government is stupid enough to allow a plough to go into the flood plains of the Cooper, to allow it to be dammed to pump out millions of gallons of water and to allow the

spread of all the crap that is used to spray cotton. People would not eat the meat produced in that region again. What is wrong with Government members? They should stand up and be counted. The only bloke opposite who has said anything is Mr Johnson. He got up and said, "Over my dead body." Government members should talk to him. He knows what it will do to the place. I congratulate Mr Johnson on the stand that he has taken on the Cooper. Good on you, Vaughan!

Time expired.

### **Upper Mount Gravatt Regional Business Centre**

**Mr CARROLL** (Mansfield) (12.18 p.m.): I am provoked to speak today on the absence of a development control plan for the Upper Mount Gravatt regional business centre in the electorate that I serve. The Brisbane City Council seems to be spending money on propaganda in the style of a newsletter. Three of those documents have been issued. The name changes depend upon the flavour of the month. The more interesting and concerning aspect of these newsletters is the focus of them or, should I say, their lack of focus.

**Mr Johnson:** Did the ratepayers pay for them?

**Mr CARROLL:** I am sure that they are paying dearly for them. The July 1996 edition was headed "Upper Mount Gravatt regional centre local area planning update". That is an interesting choice of words, because one of the complaints of many of the people of Mansfield for the last four or five years has been the absence of proper planning by the Brisbane City Council and the final publication of a development control plan. Instead, the council seems to have focused its attention on local area planning.

I want to make a couple of comments on the July 1996 edition of this magazine, whatever it happens to be called. We see some facile discussion of traffic problems and expanding commercial areas, which really amounts in my opinion to a limp cop-out. Further down the front page there is more rubbish about the concept plan being pushed before the council by the local people. The local people know only too well that this concept had been promoted, and very sensibly promoted, by previous Governments and previous city council administrations for some 20 years, but we have seen an absence of action in the last five years, save for the last

couple of months. Most of the action in the last couple of months has been driven by the local Southside Chamber of Commerce.

The July edition goes on to say nothing much, but in my opinion it merely presents further evidence, in accumulation, to support a conclusion that the council, the Lord Mayor and his team are not up to getting a development control plan finalised. Whenever any fuss arises, the proclaimed diplomat of the council, Councillor Tim Quinn, is sent out on a mission to calm the troubled waters, and he was sent out on this matter, but even Councillor Quinn is not shutting up the locals. For some unknown reason, the Chermside regional business centre development control plan was given inappropriate advantage over the plan for the Upper Mount Gravatt area.

For two years, I have been fighting a political campaign to have the Upper Mount Gravatt development control plan finalised. When I approached either the Labor administration in the council or the previous Labor State Government and asked for the skilled people who were supposed to be looking at these issues to come out and talk to local folk, I have never seen so many people dive for cover. It was far too hard for them to provide a speaker to speak at public meetings attended by anxious local business people; it was far too difficult for them to provide people with an update. We can see now why no updates were provided, because there was nothing to report. Even the Brisbane City Council Office of Economic Development did nothing constructive toward what one would think would be a primary element of the economic advancement of this city.

In the past couple of years, we have seen brave steps by not only private business developers and property owners, but also Federal and State Government authorities who have been prepared to establish significant offices in the Upper Mount Gravatt precinct. I refer particularly to the Taxation Office, and even one arm of the Brisbane City Council had the bravery to establish the very large Brisbane City Council Transport Depot there for the buses. I pay tribute to the confidence of local property developers who have not only held in there but some of whom have also taken the step to develop their properties in the expectation that one day this 20-year-old plan will come to fruition.

Despite every effort made by the hardworking Liberal councillor for the ward of Wishart, Graham Quirk—with no help from the previous Labor member for Mansfield or real help from the member for Mount

Gravatt—there has been a sheer reluctance by the Brisbane City Council to do anything constructive. Instead, it has focused too much time and money on the local area plans. There were all sorts of excuses why the Upper Mount Gravatt plan could not proceed.

I also think that it has taken far too long to settle the busways concept. It is only now that the Honourable Minister for Transport, Vaughan Johnson, has brought debate to a head, and 11 days ago he announced that a busway would proceed. That was something on which previous Labor Ministers could not decide. There had been shameful neglect by Labor and this has been aggravated by the rocky relationship between the Labor State Government and Lord Mayor Soorley, who was elected a few years ago.

There has been not only abandonment by the former administration and its Transport Department but also happy neglect by the city council. This has led to unacceptable delays in the completion of any freeway noise barriers to protect the residents of Portulaca Street, MacGregor. Fortunately, the new Minister for Transport, Mr Johnson, has kept in touch with me, informing me of any development in that area and at last, after some 15 years of delays, it seems that we may be near to being able to erect those fences. Careful stewardship has dictated that we could not construct the barriers while changes to the route of the south east freeway were uncertain. I have done my best to keep those patient constituents informed and I look forward to some good news for them shortly. I believe that a substantial reason for the delay in our ability to complete those fences was the absence of the Upper Mount Gravatt development control plan.

The intersection of Logan Road with the eastern end of Kessels Road where it becomes the western end of Mount Gravatt-Capalaba Road is one of the oldest intersections in Queensland and it is an important hub. It is important not only to the local businesses but also to the larger population in south-east Queensland. AMP, in developing the Garden City complex, has turned its back on this commercial centre. Sure, they want to take advantage of the hub location and the custom of all the other businesses in the area, but turning its back on all those banks, law firms, accountants, insurers, financiers, real estate agents and other businesses is crazy. It seems a common tactic for centre developers to want to turn their backs on any adjoining shops so that they can keep their audience captive inside the centre.

There are many small and medium-sized traders who deserve attention from city planners; they deserve to have a developer like the AMP told by the relevant authorities to open its doors to an important intersection and leave a pleasant route to the adjoining businesses. A very broad range of other hardworking entrepreneurs serve the Mount Gravatt district from Upper Mount Gravatt, with pawnbrokers, hobby stores, office supplies, mini marts and all sorts of takeaway foods and several Asian food restaurants. All of these businesses provide the ingredients for the regional business centre that we were promised many years ago and has not eventuated. Some of those businesses may not be viable in another six months if we are left that long without a development control plan.

I believe it is essential that the early promises to these business houses be honoured. Public transport routes should radiate from the Upper Mount Gravatt regional business centre; I have recently made submissions to the Queensland Transport Department to ensure that it is encouraged to try to make a model bus depot of the Upper Mount Gravatt depot that will no doubt be part of the new busways route.

I challenge the Lord Mayor to not only get on with this project but also to have it completed. I believe there is no reason why this cannot be done by the commencement of 1997. We have heard too many excuses, and I reject them. I urge the people of the large area of about a dozen suburbs centred on Upper Mount Gravatt to tell the city council what they want. I urge them to respond to the surveys. There is no civil communication as to what is the latest public consultation, so I am unable to inform this House of what is really being done by the city council. I urge people to seek out from the council the latest information that it will provide and to force it to make its contribution.

I must say that I am very pleased with the new busway because it will be a dedicated busway that will allow for better transport; it will allow buses to follow the usual routes in adjoining suburbs and then embark on the busway to provide passengers with a quick and pleasant trip to their destination.

The Upper Mount Gravatt regional business centre serves the nearby Eight Mile Plains technology park, which has great promise.

Time expired.

### **Grassroots Unionists**

**Mr PURCELL** (Bulimba) (12.28 p.m.): In the time that is left, I would like to refute what the Premier said this morning that grassroots unionists are being used by unions and that they do not want to go along with the demonstrations that of late have been held in Brisbane and in other places. The Premier does not realise how grassroots unionists feel about Howard's proposed legislation, which this Government is going to rubber stamp, which attacks a lot of their conditions. The Premier really does not know how grassroots workers feel about the attack on the jobs of school cleaners and the attack on workers' compensation.

For many years I have been involved with grassroots unionism and workers and, in case the Premier does not realise it, I must say that changes to the Workers Compensation Act, which make workers' compensation available only to PAYE employees, will disfranchise 90 per cent of the people in the building industry. Instead of doing that, he should be getting workers in the department off their backsides to collect fees from those employers who for years have not paid their workers' compensation premiums. According to the *Courier-Mail*, every year \$50m plus of premiums are not collected from employers. In this place I have continually criticised the department for not collecting those premiums from employers. I urge honourable members to simply pick up the PAYE statistical figures from the Commonwealth and to subtract the Commonwealth employees and to compare the compensation paid to PAYE employees and to employees who are PPS. Under the Act here in Queensland a person who works for labour only is classified as an employee and is covered by workers' compensation. However, the premiums are not being collected.

Time expired.

### **STATE FINANCIAL INSTITUTIONS AND METWAY MERGER FACILITATION BILL**

#### **Second Reading**

Debate resumed from 8 August (see p. 2195).

**Hon. D. J. HAMILL** (Ipswich) (12.30 p.m.): A few weeks ago, all Queenslanders were being treated to a State of Origin series. I remember it well. The Premier and the Treasurer were out there cheering on the maroons to try to fend off the blues. At the time the blues were in the form

of the St George Bank bid to secure a merger with Metway. When one looks at the State of Origin series—and there have been quite a few of them over the years—it is fair to say that we win some and we lose some. This year was not a great year for the Queensland State of Origin team. But in the case of the State of Origin that was being launched by the Premier and the Treasurer, one would have to say that the series is yet to be completed. There have been a few matches, and the honours have been shared. But what we do not know is what the result of the series will be. I suspect very strongly that this series is not going to be concluded this year, next year, the year after that or even the year after that—although we have heard lots of promises from the Treasurer about how the scheme of arrangement that has been negotiated between the Government and Metway Bank will be played out over the months and years ahead.

Let me prophesy a little. I believe that although there may appear to be some wins for the maroons on the way, I suspect that, at the end of the day, we will lose the series. We will lose the series because what this Government has sought to do in this legislation by way of offering guarantees to the Queensland community in relation to Queensland taxpayers' assets, that is, Suncorp and the QIDC, is simply not worth the breath of the Treasurer and other Government Ministers who have been such stalwart advocates for the selling out of the public ownership of Suncorp and the QIDC and putting together this bank merger or takeover—call it what you will. The point I make is that, even though this legislation—

**Mr Johnson:** Your Government was going to do it.

**Mr HAMILL:** I can correct the member for Gregory on this point. A series of reports were undertaken into the financial health of Suncorp—one of the State's great institutions. Indeed, one would have to say that it was one of the initiatives of a former and far-sighted Labor Government. The Government of which the member for Gregory is a part is hell-bent on making sure that Suncorp is no longer; that Suncorp will be lost forever and ever.

The reports to which I refer in response to the interjection of the member for Gregory were undertaken on behalf of the former Labor Government—in one case by Price Waterhouse—to look at the issues which Suncorp needed to address for its future. What also happened was that, within Treasury, there was a bid to seek the

privatisation of Suncorp—something which was not in line with any policy decision made by the former Labor Government nor the former Labor Cabinet of which I was a member. Indeed, I remember quite vividly the papers coming up to Cabinet in relation to Suncorp. The Government of the day rejected the proposals for privatisation which had come out of Treasury. It is no surprise that this Government has taken up those papers and run with them. It is no surprise that this Government has embraced the sell-out—and I say "sell-out" rather than the "sell-off" of Suncorp—in the terms in which it was done, because it was always on its agenda. The then shadow Treasurer, Mrs Sheldon, often talked about Suncorp and the QIDC and said how, in Government, the coalition would question whether those important public assets should remain public assets. It did not waste much time in moving on its agenda—the very same agenda that was seen in the terms of reference given to the FitzGerald Commission of Audit. This agenda, simply put, has a view of Government that is absolutely minimalist. It is an absolutely minimalist view of the role of the public sector. That is the agenda behind the Government's moves and its Commission of Audit.

The Commission of Audit seems simply to put up the privatisation card as the panacea to deal with all of the State's economic and social ills. I have never been a great believer in those sorts of snake oil tonics, and I do not believe in the panacea that has been put forward by the Commission of Audit, either. There are many very important issues at stake. The Government's bid to sell off—or sell out—Suncorp and the QIDC is more about the Government's ideological position than about anything to do with the public interests of Queensland. As we go into this issue in greater depth, I believe that point will be more than adequately borne out in the observations and the facts that need to be brought to light in relation to this matter.

**Mr Ardill:** Particularly when they ignore the interest that those companies earn for them.

**Mr HAMILL:** There are many interests at stake here—not only the interests of those employees who know full well that their jobs are on the line but, I would have thought, the interests of a significant sector of the Queensland economy which, in the past, has looked particularly to the National Party for succour and support in Government. The rural sector has some of the greatest concerns about the implications of this legislation which we have before us and the Government's

agenda following the enactment of this legislation.

When the Treasurer was introducing this Bill, true to form she cobbled together a range of statements—or purported to cobble together a range of statements and quotes—in an effort, I assume, to try to embarrass me as Opposition spokesperson.

**Mr Fitzgerald:** It's hard to do, isn't it? It's hard to embarrass you.

**Mr HAMILL:** When the Treasurer is so incompetent that she cannot even transcribe from *Hansard* the words that I have said in this place and therefore give a different twist to them in her speech, I believe that speaks volumes about the integrity of the Treasurer and certainly casts no shadow of doubt as to the integrity of the Opposition and myself in relation to this matter. We are on record as saying that we were concerned about the loss of Queensland ownership of Metway. We did not call upon the Parliament to step out there in the marketplace and intervene—as the Treasurer has suggested in her speech. We certainly indicated that we were concerned that the proposed merger of Metway and St George would see not really a merger but a takeover, with another example of southern-based control—through the board of the new entity—impacting by way of a loss of decision making from Queensland.

The Treasurer seems to have thought that by putting this Bill before us we can stop that sort of development in the future. I suggest that such a belief is ill founded. Nevertheless, let us have a look at the sort of promises that the Treasurer outlined in her speech when she introduced this legislation. These are the big promises. These are the reasons why Queenslanders should be out there cheering in the streets the passage of this legislation. The Treasurer said that this legislation will facilitate Queensland business having a major local finance company. Queensland business does not quite see it in those terms. Queensland business basically wants to be able to do business with a source of finance. It knows only too well that exactly where that particular finance company is based is not the fundamental consideration in regard to the terms on which any finance is available.

The Treasurer claimed that the merger would create sustainable jobs and expanded career opportunities. Indeed it may, but not for the thousand or more current employees who will find new opportunities in the State unemployment queue as a result of the

deliberate downsizing of the merged entity. The member for Moggill shakes his head.

**Mr D'Arcy** interjected.

**Mr HAMILL:** I could hear the rattle from here.

The Government seeks to deny the reality of job losses, yet when one talks to the people involved in this very merger, the people from Metway, Suncorp and QIDC, one finds that the job losses issue is very real indeed and is occurring already.

The Treasurer also promised that the merger would lead to enhanced services in rural and provincial Queensland. It might mean a few more automatic tellers, but it will not mean more branches with more personal service being delivered in a way in which many people, particularly people in country Queensland, expect their banking to be handled. I have seen crocodile tears being shed in this place by people such as the Minister for Natural Resources and the Minister for Local Government in relation to bank closures that are taking place across rural Queensland today. In their local constituencies, those Ministers say that it is a disgrace to see Australia's big banks withdrawing their services and presence from rural Queensland. Watch this space, because exactly that will happen as a result of the decision made by those Ministers sitting around the Cabinet table to sell out, sell off Suncorp and QIDC.

The Treasurer said the merged bank would be a major, new national company that Queenslanders can directly own. She did not say "that Queenslanders will own"; she said "can directly own". There is some truth in that. Of course, the shares will be on the market. Anybody can own them. Indeed, some time in the future, another big bank might own them. Where will that place those so-called guarantees that the Government seeks to legislate through this Bill? I will refer to that in more detail shortly.

Another claim is that as a result of the merger a major headquarters will be kept in Queensland. I am glad that the Treasurer used the singular "a". Suncorp, QIDC and Metway, with three headquarters, will become one. If the Government had its way, it would lose the Bank of Queensland headquarters into the same one. I foreshadow that the Opposition will be seeking to protect the position of the Bank of Queensland against the intent of this Government to dragoon the Bank of Queensland into this ill-conceived bank merger.

The Treasurer has claimed that the merger will improve the Budget position. We know that Suncorp and QIDC make a very worthwhile contribution to the Budget now by way of dividends and tax equivalent payments. From the Treasurer's own comments, we also know that funds that were also contributing to Government and to the bottom line of Government have been used in a bid to buy shares on the open market to ensure that the Government got its way over and above the interest as identified by Metway's own shareholders. I sincerely doubt that we will see too much improvement in our Budget position as a result of the Government's moves.

Finally, what was the other great claim that the Treasurer made? She claimed that the merger would reduce the contingent liability of the State. On that one I can agree, because that will be achieved by removing the Government guarantees which policy holders with Suncorp have enjoyed to date and which borrowers of the QIDC have enjoyed to date. No longer will those loans and investments be Government guaranteed. No longer will people have the advantage of the credit rating of the Government in relation to those investments and loans. No longer will they enjoy the AAA rating. No longer will they enjoy the favourable interest rates. In other words, it will cost. Certainly, the Government will be happy because approximately \$2 billion will be removed from contingent liabilities, but there are some losers.

The biggest set of losers can be found in the rural sector. A few weeks ago, I placed a question on notice to the Treasurer, because I was concerned about the impact that this measure would have in relation to the activities of cooperatives in this State. The Treasurer informs me that 15 cooperatives have borrowings with QIDC, between them having borrowed approximately \$76.8m. Why have they done business with the QIDC? Those cooperatives are basically rural, primary producer cooperatives, such as those in the meat and canning industries. Because of favourable Commonwealth tax arrangements, those cooperatives have obtained significant tax concessions.

**Mr Springborg:** They have been fixed up.

**Mr HAMILL:** They have been fixed up all right. They have been fixed up very nicely indeed. That is a further demonstration of this Government's lack of reality—

**Mrs SHELDON:** I rise to a point of order. I would like the shadow Treasurer to

explain how, in his words, they have been "fixed up".

**Mr DEPUTY SPEAKER** (Mr Laming): Order! There is no point of order.

**Mrs SHELDON:** He is casting aspersions that I find offensive. I ask that he withdraw them.

**Mr HAMILL:** I made no comments whatsoever in relation to the Treasurer personally.

**Mrs Sheldon:** Who do you suggest fixed them up then? How do you fix them up? Tell us.

**Mr HAMILL:** I will continue my address despite the rude interruptions from the Treasurer. She makes something of an art form of spleen venting in this place. I know that she is extraordinarily sensitive when it comes to criticism. In relation to this matter, there is a considerable degree of criticism in relation to the Government proposals and a considerable degree of criticism of the way in which the Treasurer conducts herself as Treasurer of the State. I will not go into all of that criticism this afternoon; that litany of abuse is far too long for the time I have been allocated to speak to this Bill.

The rural sector in Queensland is very concerned by the loss of the specialist lending services offered by the QIDC and the loss of identity of the QIDC as it is submerged within a retail bank. To understand why primary industry groups are so concerned about the loss of QIDC, one should consider why the QIDC was established in the first place by a former National Party Government. I know that the member for Caloundra would not have an appreciation of the interests of the rural industry groups that have been raising their concerns in relation to this issue. They have been legion. For example, the Cattlemen's Union expressed its real concern that the QIDC's service and support for rural industry might disappear into a black hole with the establishment of the new Queensland super bank. Those sentiments have been echoed by the canegrowers, grazing interests in general and by a whole spectrum of rural industry. Indeed, even the financiers themselves are concerned that the culture of the QIDC will not meld well into the culture of the proposed banking group that the Government seeks to create as a result of the passage of this legislation.

The Treasurer is very sensitive in relation to matters pertaining to the Suncorp merger. In fact, the area of sensitivity can be seen most clearly in relation to the question of

employment, or should I say the question of unemployment, arising as a result of the Government's initiative. The Treasurer and the Premier gave the member for Gladstone some understanding that jobs would not be lost as a result of the bank merger, other than through natural attrition. In doing that, they have sought to elicit through fraudulent means the support of the member for Gladstone for the sell off of Suncorp. We know, and we know that the members opposite know, that job losses will be the result of the merger and they will not occur simply by natural attrition. Indeed, the company itself has advertised to that effect in the State's newspapers. In his role as chairman of Metway, Frank Haly has conceded that point in interviews.

Whilst the Treasurer tried to avoid the issue several times in radio interviews, claiming initially that they had not done the figures and that it would be okay—"Trust me, it will all be through natural attrition"—and then later stating, "We have done figures but it would be wrong to speculate on them", it came out that there would be 1,000 jobs lost. That was the estimate—400 of those jobs in head office and 600 jobs in the various branches of the soon-to-be merged entities.

I can understand the Government's sensitivity. While the redoubtable Treasurer was trying to con people on the issue of job losses, the Premier was in Tokyo. At that time in Tokyo it was put to him that 1,000 jobs were to go. The Premier, who was either obviously seeking to mislead the public or had not been adequately briefed on the matter, said, "No, that is inaccurate. Certainly, I am not aware of job losses to the extent that you mentioned. Obviously, there will be a degree of rationalisation."

Of course, there will be a degree of rationalisation—a greater degree of rationalisation than anyone in the Government cares to admit. Indeed, the documents that were prepared during the term of the Labor Government, the intent of which it specifically rejected, state very clearly that although the level of redundancies desired to effect the rationalisation would be achieved, at least 75 per cent of the 600 redundancies in the branches would be achieved through natural attrition and that there would need to be 25 per cent achieved by other means. In the case of the head office redundancies—and remember there are some 400 of those—all of those would need to be achieved by other than natural attrition.

The process is already under way. Many managers of both the QIDC and Suncorp see

the writing on the wall and know only too well that there will be no place for them when the merger is effected. Already a number of those people are jumping ship. I might say that morale among the rank and file staff is about as low as it could possibly go.

**Dr Watson:** You don't know what you're talking about.

**Mr HAMILL:** I do know what I am talking about because I talk to those people very, very frequently indeed.

**Dr Watson:** Name some of them.

**Mr HAMILL:** The Government would have me name my constituents so that it can victimise them. Members opposite should read the published comments of people of status in those organisations from the directors down. They are very dissatisfied about the way in which they were shut out of the decision-making process in relation to the bank merger. A number of those directors said that the way in which they had been treated and, therefore, their responsibilities had been treated by this Government in the way in which it is proceeding to put the bank merger into place were an absolute disgrace.

Many facets of this whole issue need to be examined in this debate. Let us consider the losses to Queensland's Budget as a result of the Government's decision. Part of the way through the process, after the Opposition had pointed out that the Commonwealth was not going to offer any compensation for the privatisation of Suncorp, the Treasurer announced that there was never any intention to factor any compensation into the final equation. Yet the Government knows and we know that in every scenario that had been written, around \$200m was factored in as a payment from the Commonwealth by way of compensation for the loss to the State of tax equivalent payments. When that fact was on the table, the Treasurer then came out and said that it was a scandal and a disgrace that the Commonwealth was not going to provide up to \$600m in compensation to Queensland. Who is pulling whose leg in relation to this issue?

Frankly, the Queensland public have been given a litany of half-truths and misleading statements to justify the Government's ideological agenda. Yes, there are going to be losses of profits; yes, there are going to be losses of tax equivalents. Although the Treasurer has sought to counter those claims by saying that the bank merger will realise in excess of \$2 billion for the people of Queensland, the Government knows as well as we know that that figure will not be realised.

It is not going to be the goose that laid such a great golden egg for Queensland, which the Premier and Treasurer had us believe at the outset. When they talked about their \$21 billion bank merger, which was the throwing in of the Bank of Queensland, Suncorp, Metway and the QIDC, we were told that there was going to be megabucks—over \$1 billion—set aside to cover or to generate the funds that would be forgone through the loss of dividend payments and tax equivalents and another \$1 billion—indeed, more than \$1 billion—available for infrastructure investment. Where are those claims now?

Every reputable commentator on this matter has pointed out that the values that the Government was relying upon in its propaganda at the time of announcing the merger simply do not stack up—that the sell off of Suncorp and QIDC will not realise the dollars that the Government would have had us believe. Who are the losers out of that? Of course, the shareholders are the losers—the shareholders being the people of Queensland, who have cherished those institutions, particularly Suncorp and in its earlier guise, SGIO, for many, many years and, indeed, for several generations. That is the heritage that the Government is hell-bent on selling off and destroying in its ill-conceived bank merger.

I mentioned earlier that the loss of guarantee is an important consideration in relation to this whole matter. Although the Bill seeks to preserve guarantees on existing policies and existing arrangements entered into by the QIDC and Suncorp, again we know, and the Government knows, that with the removal of the guarantee arrangement this new private bank, of which, I suspect, the Government is going to own a tremendous part as a result of other activities in which it has indulged, will not enjoy the high credit rating that is currently enjoyed by Suncorp and the QIDC. Metway has a BBB-plus credit rating. I think that the most profitable bank in the country, the National Australia Bank, has an AA credit rating. There is no way that the new Metway will get near that credit rating. That means that—

**Mr Johnson:** That's a bit negative. You're not a negative person.

**Mr HAMILL:** That is a fact, and the Minister's constituents and my constituents who wish to borrow money from that private bank will not be able to borrow funds at the rates that are available from financial institutions enjoying the higher credit rating, as is currently enjoyed by the QIDC and Suncorp. I know that the member for Gregory considers

that to be a negative statement. It happens to be that sometimes the truth hurts. We should not be proceeding along this path with our eyes closed to the realities. Of course, that is what the Government would have us do. The Government seems to believe that we should have blind faith in its capacity to deliver on all of its commitments. The Minister knows as well as I do that, quite frankly, those guarantees are not worth the paper that they are written on. That is abundantly clear from the documentation that was provided to Metway shareholders at the shareholder meeting.

Although the Treasurer has claimed a number of guarantees for those who currently do business with Suncorp and the QIDC, the facts are that all of those guarantees are worthless. In the Treasurer's second-reading speech, she tried to placate the concerns of rural industry and claimed that the current lending practices that existed within the QIDC would be maintained and that rural industry will have access to at least the same level of financing that is currently available to it through the QIDC.

Sitting suspended from 1 to 2.30 p.m.

**Mr HAMILL:** Before the House rose for lunch, I was commenting on the guarantees which the Government is purporting to give certain client groups in relation to the merger to try to settle down the very deep disquiet that exists within the community and certain sections of the Government's own support base in relation to the so-called "Banana Bank" merger. These are guarantees which the Treasurer saw fit to repeat in her second-reading speech. In relation to suggested branch closures and the loss of banking facilities of the Suncorp/QIDC/Metway merger in country Queensland, the Treasurer stated—

"Each of these centres will benefit from an upgrading of services as the Heads of Agreement between Government and Metway requires that these centres retain a branch banking presence of the merged entity."

Later in that speech the Treasurer gave an undertaking in relation to the concerns that rural industry had with respect to the potential lending practices which will result with the new private bank. She stated—

"Moreover, rural lending is to be maintained at current QIDC levels, ensuring continued access to loan funding for the State's rural producers. Again, this is a specific requirement of the Heads of Agreement with Metway."

What the Treasurer did not do—as she has an unhappy record of continuing to fail to do in these matters—is give the full story. It is almost as if the Treasurer suffers from some sort of selective amnesia when it comes to details of this particular arrangement.

Fortunately, some Metway shareholders took the trouble to send me a copy of the material that they had been sent which contained the terms of the heads of agreement which the Treasurer was referring to in her second-reading speech. There is indeed a term in the heads of agreement in relation to the State proposal which states—

"A commitment by the Merged Entity to maintain banking services in any city or town in Queensland where a Suncorp or QIDC branch currently operates, (but rationalisation within each such city or town will not be limited)."

Of course, that means that in a centre such as Gladstone where there is more than one branch of Suncorp, the heads of agreement allows rationalisation to occur in the town. Look at the situation that will prevail in centres such as Cairns, Townsville, Rockhampton, Mackay, Ipswich, Toowoomba, Roma—and the list goes on—the heads of agreement states that extra branches in those towns can be rationalised. I guess that, as the branches are rationalised, so too will jobs be rationed. The Treasurer will not get away with the nonsense that she has peddled about natural attrition taking up all the slack as a result of rationalisation.

What of the other guarantees in the heads of agreement? One states—

"A commitment by the Merged Entity to maintain the annual volume of lending to farming and rural pursuits in Queensland at the current levels undertaken by QIDC."

Does that mean that the rural sector has already reached the maximum attention that it will receive? Does it mean that the dollar value of the current QIDC portfolio remains that point beyond which the new institution will not lend? We would like to know further details.

When one reads this document, it is clear that it really does not matter what the Treasurer says it contains, and even those so-called guarantees to which I have referred do not matter. They do not mean a fig when read in the context of the document. The very part of the document that the Treasurer deigned to overlook, the very part of the document that the Treasurer did not want to tell the people of Queensland about, states—

"These provisions are subject to an overriding requirement that the Board of the Merged Entity act commercially and prudently and in the best interests of shareholders of the Merged Entity."

It does not matter what the Treasurer of Queensland has to say. If anyone wanted to set any store by the Treasurer's words, that paragraph blows it all away. It means that the dictates of the shareholders and their quest for maximum dividends and maximum profitability will determine what is delivered and what is not delivered. That will override essentially non-commercial decisions that the Government may like people to believe the new bank will enter into in maintaining rural lending, or maintaining job numbers, or maintaining a branch structure in rural areas. However, the Treasurer knows as well as we do that that statement, which gives the overriding consideration of commercial approach from the board in the interests of the shareholders, will wipe all of the Treasurer's guarantees away once and for all. Again, the people of Queensland have had a dreadful con sprung upon them by the Treasurer's solemn undertakings.

What about the propriety of all of this? The Treasurer has engaged in what can only be described as a concerted campaign to thwart the wishes of Metway shareholders. The Treasurer waged a direct mail campaign, and the legion of southerners who have been working for this so-called "State of Origin" bid from Queensland—

**Mr Schwarten:** How much is that costing?

**Mr HAMILL:** I understand that the cost of consultancy services will be in the order of \$15m plus.

**Dr Watson:** Ha, ha!

**Mr HAMILL:** The belly laugh from the member for Moggill will only be natural if he sees Suncorp go belly up as a result of this Government's proposal. The figure of approximately \$15m is the interim chairman's figure and not mine. It covers the cost of due diligence, the valuations and so on. Indeed, that point is now acknowledged by the member for Moggill. The belly laughter suddenly stopped. This is a very expensive exercise.

I was referring to the cost of the Treasurer's direct mail campaign and the 1800 number in Sydney which people could ring to hear words of wisdom from the Treasurer, who was basically saying, "Don't come at the St George bid." I hope that the Treasurer is in

charge of the coalition's direct mail campaign for the next State election, because when one looks at the way in which the shareholders voted, almost 60 per cent told the Treasurer where she should go in relation to her direct mail campaign. Two ballots of preference shareholders were held. In one ballot, 73 per cent voted against the wishes of the Queensland Government and almost 78 per cent voted against the Queensland Government's position in the other ballot.

There is an issue of credibility here. The Queensland Government has squandered a chance at the credibility that it craved when it put its hand into public funds, into Queensland Treasury Holdings, and then decided to ride the stock market and purchase shares at the highly inflated price then prevailing in the market. I shall shortly come to the issue of that highly inflated price in a little more detail.

By involving itself in the share market in the way that it did, the Government ran against everything that, when in Opposition, it had claimed was proper and prudent activity from a Government. The crowd opposite said that Governments should not be involved in the financial sector through running banks and so on, that Governments should not be taking on these sorts of contingent liabilities and so on. Yet, what did it do? It put its hands into public funds and used that money to secure a 9.9 per cent share holding in Metway for one purpose and one purpose only—to bolster the ego of the Queensland Cabinet which, at that stage, was staring at defeat in a bid to effect a four-way merger between Suncorp, QIDC, Metway Bank and the Bank of Queensland.

What about the notion that the Government should safeguard the public interest? A number of very serious matters arise as a result of the Queensland Government's actions in trying to stitch together the "Banana Bank". For a start, we have been told by the Treasurer and the Premier that money in abundance would be available for infrastructure as a result of the bank merger. Figures of up to \$2.5 billion were bandied around as being the value of the resulting entity. We have not seen all the final valuations yet, but no-one in the marketplace believes the Government. Even the Premier himself had to concede that his estimate may be out by \$1 billion or so.

**Mr Schwarten:** Just a billion.

**Mr HAMILL:** He was out by only a cool \$1 billion of a supposed \$2.5 billion!

**Mr Schwarten:** Chickenfeed.

**Mr HAMILL:** It is chickenfeed. Furthermore, the chickens are coming home to roost. That \$1 billion shortfall will be \$1 billion worth of embarrassment for this Government. This Government has said that it will make sure that sufficient funds are invested to make up the loss in dividends and tax equivalent payments as a result of the privatisation of Suncorp and the QIDC. One billion dollars was to be set aside for that purpose. I would love to know what will be left. I am absolutely sure that it will not be \$1.5 billion, as the Premier and Treasurer would have had us believe just a few months ago. We might be lucky to get out with just \$200m. In the meantime, a significant amount of public funds will have been tied up in this project. At the beginning of the year, Metway shares were trading at a little over \$3. That makes one wonder why the Queensland Government is prepared to have a \$4.80 per share offer on the table.

**Mr FitzGerald:** What are they worth now?

**Mr HAMILL:** They are worth considerably less than that. I draw the attention of honourable members to an interview between Mr Frank Haly and David Margan on the *Stateline* program. Margan asked Haly whether Haly thought that St George would trump the Queensland Government's \$4.80 offer. What did Haly say? He said, "Not likely." At \$4.77, the St George offer was already outside of the range of reasonable prices that independent experts had indicated for the value of Metway.

Government members do not seem to have realised that they have been taken to the cleaners—and along with them the taxpayers of Queensland—in relation to their dabbling in the share market. The Government has a \$4.80 offer on the table. Shareholders with any sense would take the money and keep on running. In trying to bolster their egos by having such a massive price put on the shares of Metway, Government members are effectively devaluing the public assets in the merger—Suncorp and the QIDC. We are talking about an entity that may be able to make a profit of about \$160m. The Government is virtually saying that half the value of the merged entity is generating less than one-third of the profitability. The banking industry is laughing at Government members because of the price that they are prepared to pay for Metway shares.

Let us look at the price-to-earnings ratios. Most banks have a price-to-earnings ratio of

somewhere between 8 and 12. Some of the smaller regional banks have had an inflated share price, because they have been potential targets for takeover. The Government has valued Metway as having a price-to-earnings ratio of 16. That is absolutely extraordinary! I am reminded of the saying that fools and their money are soon parted. The only trouble is that the money is ours; it belongs to the people of Queensland. The liabilities that the Government is racking up are liabilities for the taxpayers of Queensland, yet it has the audacity to proceed with this ill-conceived merger.

The market commentators have been absolutely scathing in relation to the whole question of valuation. An article in *Business Queensland* of 22 July states—

"At the St. George price-earnings ratio, the new bank would be valued at \$2.07 billion.

The three components of the proposed 'mega-bank' recorded total profits of \$173million last year.

Companies that undertake financial services other than banking sell on market at ratios of less than 10—a ratio of 10 values the operation at \$1.73 billion.

A ratio of eight values the merged entity at \$1.38 billion. Given that the government's offer for Metway values that organisation at \$820 million, Suncorp and QIDC would on that ratio account for very little of the capitalisation of the merged entity."

What irresponsibility! The supposed guardians of the public interest have managed not only to gather up the family silver but also to debase it as they try to sell it. That is extraordinary stuff! Government members should be ashamed of themselves. Is this what they call responsible management of the State's assets?

On Monday, 1 July in the *Townsville Bulletin* the Premier had to concede that the "Superbank could have \$1 billion shortfall". It is extraordinary that this great big State of Origin bid that was going to clothe the Queensland Government in glory should within weeks come unstuck such that the people of Queensland now see that many of the Government's claims were fraudulent.

There was another good article on 24 July in the *Sydney Morning Herald* which stated—

"Metway Bank chairman Mr Frank Haly yesterday confirmed his company's shares were unlikely to trade at the \$4.80 price the Queensland Government was

offering Metway shareholders as an exit price when its proposed \$19 billion mega-bank merger was completed.

His comments came as the Government and Metway yesterday came up with a former senior National Australia Bank executive with significant international experience, Ms Patricia Cross, to add credibility to the team to oversee its proposed mega-bank merger."

Government members can gather together whoever they like, but the fact is that they are devaluing the State's assets in this merger. On that basis, the Government is selling out the trust that the people of Queensland place in it.

A few questions still need to be asked in relation to this merger. Earlier on I mentioned that the former Government undertook an analysis of Suncorp's position in the marketplace. Suncorp is a very sound institution. It works very well, is very profitable and makes a sizeable annual contribution to the Queensland Budget. It was identified that Suncorp needed to diversify its position in the marketplace, ideally to get into marketplaces other than Queensland and particularly south-east Queensland. The Suncorp Building Society is heavily into housing and loans. Suncorp Insurance, apart from its compulsory third-party business, is heavily into motor vehicle and house insurance. It is very much riding on the waves of the health of the Queensland economy.

As a result of that study back in 1994, Suncorp embarked on a deliberate push to try to gain greater market presence, particularly in Sydney. What will this merger do for Suncorp? Will this merger broaden Suncorp's market penetration? It certainly will in Queensland. After all, Metway started off life as a building society. Can honourable members guess where much of its lending is concentrated? I dare say that it is in the very same market in which much of Suncorp's lending is concentrated. This is not really broadening the market position; rather, it is concentrating the market position. I do not believe that the Treasurer is addressing what was considered one of the fundamental issues that needed to be considered to ensure Suncorp's longer-term future.

If the Treasurer had had the gumption or the decency—or maybe both—to consult with the boards of Suncorp and QIDC before she started rushing off with her State of Origin bravado, then we may have actually had a better outcome for the people of Queensland. Those Queenslanders who have given generously of their time—and it is very much a

community service—to take on board responsibilities in those public enterprises may have had something worth while to tell the Treasurer about the financial markets. Maybe she would not have gone in there promising \$4.80 a share and a whole range of other unfulfillable promises had she taken on board some expert advice from those people who have been managing Suncorp and QIDC very well indeed. But no. The Queensland Treasurer has a reputation for being headstrong. The Queensland Treasurer knows best, and anyone who says otherwise will know that the Queensland Treasurer is very vociferous in telling everyone that she knows best.

**Mr Hollis:** She's arrogant.

**Mr HAMILL:** "Arrogant" is one of the nicer words that I have heard used—

**Mr Livingstone:** Incompetent, I would have called it.

**Mr HAMILL:** And Mr Livingstone is a generous man! I suggest that the Treasurer has had some sort of superfluous ego in relation to this matter. When things were going badly, when the shareholders were not responding, the Treasurer and the Premier decided that, in order to preserve their egos, they would dip their hands into the public funds, play the share market for all it was worth and expose Queenslanders to an enormous price to be paid for Metway Bank, and still at the end of the day they cannot guarantee that the merged bank will remain in Queensland hands.

There is a provision in the Bill which almost sends the financial markets delirious with mirth. While in the short term the Metway/Suncorp/QIDC merged entity will have headquarters here and the Queensland Government, with at least 70 per cent and probably more of the equity, is not going to be going anywhere else with it, over time, as that equity position is sold down and the new corporate raiders appear on the scene, particularly after the Federal Government has had its Wallis committee of inquiry and all the rules are changed with respect to the banking industry and the position of mergers, not only will we see Metway go ta-ta but also with it will go Suncorp and the QIDC, and Queensland will be three times the lesser for that.

Before I close, I want to raise one other aspect of this very tawdry little tale, that is, the way in which the Queensland Government is treating with absolute contempt the board, the shareholders and the customers of the Bank of Queensland. The arrogance of this lot rolling out there and saying, "We are going to

put in place a four-way merger—the mega bank." The mega bank was going to be worth \$21 billion. It was not going to be just Metway, Suncorp and QIDC. Oh, no! The talons were out for the Bank of Queensland as well. We know that as a result of Queensland Inc under former National Party Governments, Suncorp had acquired 44.5 per cent of the Bank of Queensland.

The Bank of Queensland has been around for a long time, and its board has built up an enviable reputation of being very canny, very perceptive, in relation to what is happening in the financial markets. The Bank of Queensland has been able to survive very well as a small niche bank with very strong customer support in Queensland. It has assets of a couple of billion dollars. Without the Bank of Queensland in the Metway/Suncorp/QIDC merger, the figure comes back to \$19 billion rather than \$21 billion. One would think that this Government would take "no" for what it means: no. "No", said the Bank of Queensland, "we do not want a bar of your super bank. We do not want to be in there at all, thank you very much. Thanks for the thought, but no thank you. We are not going to ride with you on this one."

But what is the Queensland Government up to? I suggest that what the Queensland Government is up to is another backdoor effort to drag the Bank of Queensland kicking and screaming into this merger, contrary to the wishes of the Bank of Queensland board, contrary to the wishes of the Bank of Queensland shareholders, contrary to the wishes of the staff of the Bank of Queensland and contrary to the wishes of the customers of the Bank of Queensland.

**Dr Watson:** When were the shareholders consulted?

**Mr HAMILL:** What I am foreshadowing is a mechanism to make sure that the Bank of Queensland shareholders are consulted and are consulted properly in relation to this matter. What the member for Moggill does not want to tell us about, and certainly what the Treasurer will not tell us about, is another bit of chicanery behind the scenes. Not content with direct mail and telephone numbers and bringing up the experts to try to win the battle to roll the views of Metway shareholders, what this lot are really now trying to do is, by a backdoor means, drag the Bank of Queensland into their "Banana Bank" merger. I will tell the House how they are going to try to do it. I know for a fact that over a month ago the Bank of Queensland made approaches to the Treasurer to secure its equity—to buy back

equity in the Bank of Queensland from Suncorp.

**Mr Schwarten:** And what did she say?

**Mr HAMILL:** They got a deafening nothing from the Queensland Government. The Treasurer, who has so much to say on every topic imaginable, had nothing to say to the Bank of Queensland when it was posing a question which meant life or death to the Bank of Queensland.

**Mr Beattie:** They didn't care.

**Mr HAMILL:** They did not care. They do not care about the Bank of Queensland, but they do care about Metway. It seems that there is one set of rules for one private bank in Queensland and another set of rules for another private bank in Queensland.

Quite clearly, what the Government is trying to do is transfer, in effect, the 44.5 per cent holding of the Bank of Queensland into the merger, with the result that the Bank of Queensland will be effectively run by the Government bank, the State Bank, which we will call Metway. What an extraordinary situation that the Queensland Government would deliver, by a backdoor means, the Bank of Queensland into the merger by delivering 44.5 per cent of the control of the Bank of Queensland into the new Metway/Suncorp entity. Why will those members opposite not allow the Bank of Queensland to go its own way? Why will they not respond to the Bank of Queensland's desire and offer to purchase its equity? They will not do so because they cannot accept "no" for an answer. They cannot be rejected. Their egos are such that they just say, "We are going to do it and stuff the rest of you."

**Mr Beattie:** Isn't this McTaggart as well?

**Mr HAMILL:** It is market-driven. But when there is a market in which the Government holds all the levers and makes all the rules, then I suggest it is a funny old sort of market. I suggest that it is a corrupted market from a Government which knows a lot about corruption. We see it clearly in relation to the bank merger stuff.

I foreshadow that I will be moving an amendment to stop this backdoor takeover of the Bank of Queensland. It will be a real test for the resolve of the Government as to whether it is genuine in relation to its merger proposals or whether it is really on about the original plan, Mark I, that is, Bank of Queensland, Suncorp, QIDC and Metway all thrown in together. If the Government is determined to go that way, then we will see more branch rationalisations, more job losses

and a greater loss of service, and we will see a lot of very angry shareholders from the Bank of Queensland who were never given the gilt-edged offers that were made to the Metway shareholders. Clearly, there is one rule for Metway and another rule for the Bank of Queensland. We will stop this backdoor sellout of the Bank of Queensland dead in its tracks if members on both sides of the House have the gumption and the guts to defend the Bank of Queensland against this sort of megalomania coming out of the Queensland Treasury.

I foreshadow another amendment. The Treasurer is arrogating to herself considerable powers of direction in relation to the entities involved in the merger with, typically, no accountability. What the Opposition will be seeking to do is to ensure that any directions given by the Treasurer to the various entities involved in this merger, should it proceed, will be accountable because they will be tabled and published in the gazette for all the world to see. That will be another test as to the bona fides of the Government—another test as to whether it is genuine in issues of accountability or whether it is just prepared to go back to the good old/bad old days where life was less complicated and one did not have to worry about safeguards or watchdogs or accountability; one did not have to worry about committees of inquiry and CJs and royal commissions and so on. We want honesty, we will demand honesty, and the Opposition will push accountability in relation to its amendments.

Let me say finally that any claim the Government makes that the Bank of Queensland is an integral part of the merger is hogwash, and we will hold it to that fact.

Time expired.

**Dr WATSON** (Moggill) (3.01 p.m.): It is with pleasure that I rise to support the State Financial Institutions and Metway Merger Facilitation Bill. It is tempting to spend my time repelling the very weak arguments that were just put forward by the member for Ipswich.

**Mr Beattie:** There is no need to do that.

**Dr WATSON:** It looks like the Labor Party put up a straw man, and it would not take much to knock him down. I might do that later, if time permits.

It is important that members understand precisely the proposal that is being put forward. The proposal to merge Suncorp and QIDC with Metway Bank has been one of the most important initiatives undertaken by this Government. It was an historical decision that will fundamentally change the role the

Government plays in the financial services sector in this State. In essence, this decision involved the choice between two alternatives. The first was to simply preserve the status quo, and the second was to progress the financial integrity of this State.

Let me examine them seriatim. I refer firstly to maintaining the status quo. Preserving the status quo would have been an easy choice for the short-term because it would involve the least offensive alternative. However, in the longer term, the position would have been simply unsustainable. The status quo effectively involved doing nothing. To begin with, doing nothing would have meant losing Metway to St George. Not only would Queensland suffer from the removal of key decision making to Sydney, the removal of key head office functions to Sydney and the loss of the associated expertise, but it would also reinforce the perception that is widespread down south and that sometimes affects Queensland that Queensland is simply a branch office State.

Keeping the status quo meant leaving Suncorp and QIDC in their current state, even though the value of these businesses was clearly under threat. These entities are already under severe pressure from other regional banks and non-bank financial institutions competing for a share of the Queensland financial market. Had St George succeeded in taking over Metway, it would have created a larger, more competitive and more aggressive regional bank that would be likely to put even further pressure on the marketplace in terms of market share and profitability for Suncorp and QIDC.

Under the status quo we faced the real prospect of declining dividend and tax equivalent payments, something that the Price Waterhouse report the member for Ipswich spoke about reinforced to the Labor Party whilst it was in Government. While one-off factors will cause earnings to vary from time to time, the competitive pressures that Suncorp and QIDC were under were going to, over time, lead to a decline in taxation revenue and in dividend payments.

The status quo would have meant that these businesses would become a drain on the Consolidated Fund. Significant capital injections would have been required for these entities to expand to achieve the economies of scale, diversify interstate and invest in electronic banking technology. The member for Ipswich referred to it a while ago, and he again referred to it when he said that that is what the Labor Government wanted Suncorp

to do. However, he failed to say that, when the Price Waterhouse report indicated that that is what the then Labor Government should do, it actually did nothing. It ignored the report; it organised a mere \$50m bank loan from the QTC. It essentially ignored the critical aspects of the Price Waterhouse report. The Labor Government ignored that, and only a few weeks ago as we were going to put the merger prospect into the public arena, QIDC and Suncorp, in particular, sought additional capital from this Government, and of course they had warned the previous Government of their need for capital.

These capital injections would have competed with other Budget priorities. It would be difficult for a Government of any political persuasion, be it Labor or a Liberal/National coalition, to justify giving priorities to capital injections when funding is badly needed in areas such as health, education, law and order and the environment. It is difficult to justify investing scarce Government funding in these businesses when there is a pressing need to boost spending on infrastructure that underpins the State's social and economic development. As I said, and as members of the Opposition know, that was the recommendation in the Price Waterhouse report and that was the recommendation that the Labor Cabinet and Government studiously avoided.

Notwithstanding these problems, is there a case for maintaining these businesses in Government ownership? Is there a philosophical underpinning to continued ownership by the Government of banking type operations and insurance companies that are out there competing with private sector entities? Firstly, it was Labor's corporatisation policy that gave all of the Government's financial services businesses an unambiguous commercial charter. Clearly, these businesses no longer serve any social objectives.

The current objectives of Suncorp and QIDC are fundamentally commercial. Each organisation is required to provide an appropriate rate of return on the Government's equity. Let me remind members that this was not always the case. In 1916, Suncorp was founded as a workers' compensation service and in 1921 it moved into life and general insurance. The building society was formed in 1976 when the SGIO rescued five Queensland building societies which at that time had their trading suspended. Responsibility for workers' compensation was removed from the SGIO to a separate board in 1978. So, although Suncorp was created to fulfil certain social policy objectives—

**Mr Swarten:** By a Labor Government.

**Dr WATSON:**—by a Labor Government, it fills no such function today. Not only that, those social objectives were removed by the previous Labor Government. It was established by a Labor Government to fulfil these social objectives, but it was the Goss Labor Government that actually removed those objectives from it and gave Suncorp a commercial perspective.

**Mr Swarten** interjected.

**Dr WATSON:** The member was missing for the last term; I will fill him in on what happened. The QIDC was established in 1985 as a result of the merging of a number of State institutions, most notably the Agricultural Bank. In October 1994, QIDC was corporatised and had as its fundamental objective the achievement of a commercial rate of return.

**Mr Hamill** interjected.

**Dr WATSON:** We had that debate, and the then Treasurer reiterated that no community service obligations would be attached to the QIDC. Prior to its corporatisation, the Government Schemes Division was part of QIDC. That division was removed and its responsibilities were taken over by the Queensland Rural Adjustment Authority. The one social objective it had was removed by the Labor Government, which left QIDC, as it had left Suncorp, with simply commercial objectives.

So there were no social objectives. I am examining the philosophical underpinnings. It is difficult, in fact impossible, to establish any clear-cut, coherent arguments for Government ownership in these cases. There is no natural monopoly; members opposite cannot argue that. They cannot argue the traditional, economic aspect of market failure; they cannot argue significant CSOs and they cannot argue the strategic importance of business on the grounds of ongoing ownership.

Those are the traditional arguments, but one cannot put any of those forward in this particular case. Rather, retaining ownership of those businesses exposes the Government to the risk that they will become progressively less competitive and, as a result, dividends and tax equivalent payments to the State will decline. Equally, the Government remains exposed to the significant risk posed by these entities. The member for Ipswich mentioned the contingent liability, which is estimated to be around \$12 billion. This relates not only to

explicitly guaranteed obligations of these entities but, in effect, to all of their obligations by virtue of the implicit guarantee attaching to Government ownership.

In summary, the outlook for these businesses under the status quo was not bright, particularly if they were to remain constrained by Government ownership. Further, there was no clear or specific policy objective which was being served through ongoing ownership of these entities. Clearly, doing nothing was not a responsible choice. What was the alternative choice? What was the alternative to the status quo? The alternative to the status quo was to make a decision involving some significant change—a decision which, in the longer term, would be in the best interests of the State, the best interests of Metway shareholders, and the best interests of Suncorp, the QIDC and Metway businesses and their customers. This Government chose not to take the easy option. It chose to act, and it is this decisiveness that exemplifies the fundamental difference between this Government and the former Labor Government. The fundamental difference is that the coalition Government has been prepared to make the tough decisions that are in the best interests of the State.

Labor knew what had to be done. In 1993, the then Premier, the member for Logan, raised the possibility of Suncorp being sold. At that time he said that Governments should not be in the banking or insurance industry. Members would recall the Brady report. The chapter that was excised from the report before it was released suggested that these businesses ought to be privatised. However, it was opposed by the Treasurer and the Left of the Labor Party, so it was consigned to the too-hard basket. It was revived last year after the State election. Treasury was commissioned to prepare a report, which was delivered to the Labor Party at the end of last year. That report concluded quite unequivocally that the long-term future of Suncorp and the QIDC in their current form was under threat.

The preferred course of action recommended in the report was to merge Suncorp and the QIDC with Metway and, in time, to sell down the Government's shareholding through a public float. Ironically, that Treasury report foreshadowed the possibility that Metway would be taken over by a southern financial institution. It was recognised that the longer the Government took in making a decision, the greater the likelihood that Metway was going to be taken over by a southern competitor. Yet again,

Labor chose to do nothing. It chose to simply sit on its hands. It made the same sort of decision then as it made with the workers' compensation scheme. Members have seen what happened there. It refused to confront reality. It refused to make the tough decisions that had to be made. In terms of workers' compensation, the direct consequence was that it led to a financial disaster of enormous proportions.

Labor's failure to respond to these challenges was characteristic of an administration beset by inertia, indecision and excessive bureaucracy. In the end it degenerated into an administration mired in timidity and self-defence. Because of this it became an increasingly inward-looking Government without a strategic vision for the State. Critically, it lacked the conviction to do what had to be done. In contrast, the coalition in Government has provided true leadership. We have shown that we are prepared to make decisions that are in the long-term interests of the State. The merger decision represented a once-only chance to secure for the State a major financial institution of national importance in a move which, at the same time, would actually maximise the value of the Government's own financial services businesses.

In her second-reading speech, the Treasurer briefly outlined the benefits of this initiative. But I believe it is worth repeating them here, because obviously Opposition members have not read or understood what was said. In summary, let me outline the main benefits of the merger. It creates a major new company in Queensland that will be one of Australia's largest financial services groups, with assets of around \$19 billion—if we exclude the Bank of Queensland. In answer to the member for Ipswich on that point—at no stage has the Government ever attempted to force the Bank of Queensland into any kind of merger. It was given a fair offer, its board considered it, and its board rejected it. It was always the case that there were two options: the Bank of Queensland could come in of its own free will or simply remain an asset of the Suncorp financial institution.

**Mr Hamill:** You forced it in.

**Dr WATSON:** There was no force at all.

**Mr Hamill:** Do you support my amendment?

**Dr WATSON:** I have not seen the amendment. I do not know whether or not I would support it. There was never any force or coercion. The directors are freely elected. Under the Corporations Law, the Suncorp

directors could not participate in any decision, just as any Government shareholding cannot be used. At any rate, we will wait and see what happens.

Another benefit of the merger is that it creates a stronger and more competitive financial institution than any of the entities by themselves. This is what the member for Ipswich keeps forgetting. They were small individually, they are large together, and therefore they are going to be in a more competitive financial position. It also retains and strengthens the Suncorp and Metway names. The QIDC name is similarly valuable, and the board of the new entity will be able to use that in appropriate circumstances. It retains and strengthens the QIDC's specialist expertise in the banking business and maintains its commitment to servicing rural producers. It delivers enhanced financial services to rural and regional Queensland. It reverses the trend which has been seen in the major banks, namely, curtailing services in rural and regional Queensland. It maximises the value of the State's interests in its financial services businesses. It removes significant contingent liabilities from the State. In the longer term it creates more secure and rewarding jobs and vastly superior career opportunities for the staff of the merged entity. It reverses the brain drain to the south by creating more senior management positions in Queensland at a relatively much higher level. It provides a positive externality, in that the legal, accounting, share registry, IR and marketing requirements are all going to be drawn from local professional people.

The Government has given an undertaking to the Reserve Bank and the Federal Treasurer that it will reduce its shareholding in the merged entity to no more than 15 per cent within five years. What has been lost on the Opposition, southern critics and the media is that this is an orderly exit strategy. We are getting out of direct ownership and control of banking and insurance operations. The record in other States has shown quite clearly that management of financial services businesses is best left to the private sector. This is probably what the member for Ipswich, the Leader of the Opposition and other interjectors were trying to get at. We could have followed a typical Labor State Government exit strategy, as was the case in those States run by Cain, Kirner, Bannon and Burke when they sold out of their financial services businesses.

As I understand it, the Labor strategy involves something like this. First, you take an otherwise healthy bank or insurance company

and let it get out of control. Secondly, you let it accumulate huge losses that are underwritten by the taxpayer through Government guarantees. Thirdly, you precipitate a financial crisis with the discovery of these losses. Fourthly, you feign amazement at such a turn of events and explain that the cost to the taxpayers can be limited only by selling it off as quickly as possible—but you sell off only the good assets; you leave the bad assets with the Government and the taxpayers. The fifth stage is not part of the sell-down strategy but more a consequence of it: if you have not already lost an election, you have one and lose it and leave the mess to somebody else. That is Labor's strategy. That is what it adopted with the workers' compensation scheme and the unfunded liabilities amounting to hundreds of millions of dollars.

The coalition Government in Queensland is determined not to allow that fate to befall Suncorp and QIDC. A merger of those businesses with private sector assets and the infusion of private capital offers the greatest opportunity for those businesses to grow and prosper in an increasingly competitive financial services market. Moreover, the reduction in the Government's shareholding through a public float will present an opportunity for all Queenslanders to participate directly in the growth of this exciting new enterprise.

The legislation facilitates the merger and deserves the support of all members. It is an important strategic initiative that produces major economic and financial benefits for the State. Therefore, I have pleasure in commending this Bill to the House.

**Mr BEATTIE** (Brisbane Central—Leader of the Opposition) (3.21 p.m.): I rise to oppose the State Financial Institutions and Metway Merger Facilitation Bill 1996, along with our shadow Treasurer, the Honourable David Hamill. In opposing this Bill, I join with my learned colleague in fighting to save the Bank of Queensland. The amendment that was foreshadowed by the shadow Treasurer is aimed directly at maintaining the independence of the Bank of Queensland as a small retail bank that has a close relationship with its customers. We will fight to save the Bank of Queensland as an important financial institution in this State. That is one of the clear outcomes of that amendment.

**Mr Hamill:** It has a head office here, too, you know.

**Mr BEATTIE:** Indeed. It has its head office in Queensland and is well regarded and well respected by Queenslanders around the State.

The Treasurer's State bank will cost Queenslanders up to 1,600 jobs, more than 100 bank closures, higher bank charges and at least \$200m in lost Budget revenue. How can the Treasurer claim that there will be no cost to Queenslanders? What a farcical claim! The Treasurer cannot guarantee that the new group will not be taken over by a major bank, nor can she guarantee the long-term effectiveness of the clause in the Bill that says that the headquarters will remain here. What a nonsense! Future members of this House will see that, when the head office is based in New York or Melbourne, the people concerned will know the name of Joan Sheldon because she will be the one who sold out Suncorp, QIDC, Metway and, if she gets her way, the Bank of Queensland. That will be her legacy as Treasurer of this State.

She can not guarantee that the Government will recoup taxpayers' money when it sells down its holding. She is putting at risk millions of dollars of taxpayers' money at a time when she is claiming that the economy cannot do what she wants it to do: she is crying poor on the one hand and risking millions of taxpayers' dollars on the other.

**Mr T. B. Sullivan:** And their jobs.

**Mr BEATTIE:** Indeed, and their jobs. The only thing that the Treasurer can guarantee is the loss of local branches and local jobs. That will be her legacy to this State. This merger will lead to the introduction of bank charges where none are currently imposed. It will reduce the number of branches. The new State bank will have less access to finance and will have a lower credit rating than those which Suncorp and QIDC enjoy currently. In her reply, I would like the Treasurer to address the lower credit rating that this new institution will have. She owes the people of this State an explanation about that credit rating, which will be lower than those which Suncorp and QIDC currently enjoy.

Suncorp, Metway and Bank of Queensland customers stand to gain nothing from this merger; in fact, they will lose. For example, at Suncorp, of which I am a customer, people will end up paying for cheques and paying other charges that they do not pay currently. The 100 per cent Queensland-owned Suncorp and QIDC will be sold off to all comers. Mr Borbidge, the Premier, and Mrs Sheldon, the Treasurer, are selling off the family silver.

When this proposal was floated initially to Labor by Treasury—and we declined it—Mr Borbidge was quoted in print as saying that

the coalition opposed the selling off of the family silver. When in Opposition, Mr Borbidge said that the coalition would not support it. However, what does he do when in Government?

**Mr Hamill:** Throws in the crockery as well.

**Mr BEATTIE:** Exactly. He not only sells off the family silver but he also throws in the crockery, a colour television set and anything else that he can lay his hands on. Talk about selling out Queensland! Having said in Opposition that he would not do that, when given the reins of Government for a short time, that was the first action that he took. The people of Queensland will know that Mr Borbidge's legacy will be that he sold off the family silver; he sold off the farm.

Queensland mums and dads will have access to only a small proportion of the new mega-bank. The preference units to buy out Metway shareholders will be funded largely by major institutions, and they will convert them into shares. The major institutions will have reserved for them a large chunk of the shares that the Government will sell. So where do the mums and dads of Queensland fit in? Under this plan they fit in nowhere.

The loss of the QIDC will mean that there will be no specialist rural financier branches west of the Great Dividing Range because the Primary Industry Bank of Australia—PIBA—has branches only in Brisbane and in towns along the coast. Where is the Country Party? The former Country Party members in this House now claim to be members of the National Party, yet where is evidence of the National Party looking after its base? Nowhere—because the National Party, the former Country Party, has sold out its heartland. Every so often we see banks closing branches in the country, as did the National Australia Bank and Westpac recently. So what does the great National Party, the former Country Party, do? Does it assist in order to keep those branches in country towns? No, it enters into a scheme—which was driven by Doug McTaggart, the head of Treasury, and supported by the Treasurer—which runs roughshod over the heartland of the National Party, the former Country Party, which will see fewer branches in country towns. The National Party has betrayed the bush. At the next election the bush will be burning in a way that every National Party member in this House will know about, because it will be reflected at the ballot box.

The Government has chosen to ignore the boards of Suncorp, QIDC and the Bank of

Queensland in favour of a Treasury recommendation—a Treasury with an ideological bias against Government ownership—and a Metway board desperate to ensure its own survival. It is the Doug McTaggart agenda. Every Minister who has had a brawl with Treasury knows the Doug McTaggart agenda, which is evidenced in this legislation.

The Queensland public should understand that this merger is not about saving Metway, its staff, branches and operations. The bottom line is that, in terms of job security, the employees would have been safer under the St George proposal. Under that proposal, St George wanted to use the existing branch network of Metway, because it does not have many branches in this State. I am not supporting the St George position; I am explaining that under that proposal the Metway employees at least had a chance of employment. This merger is about saving Metway's executive management, its boards and its senior executives: the mates of the Government. That is all this legislation is about. The management of the other financial corporations and those financial writers who have the courage to write independently have no illusions about that and no illusions about this sell-out.

I turn to the amendment foreshadowed by the shadow Treasurer. It is aimed directly at maintaining the independence of the Bank of Queensland as a small retail bank with a close relationship with its customers. Today, I signal to the financial institutions in this State and to the people of Queensland that the alternative Government will do everything it can to guarantee the independence of the Bank of Queensland. The staff and management of the Bank of Queensland are justifiably concerned that, if the 44.5 per cent Suncorp shareholding is absorbed into the merged entity—which is what Doug McTaggart and Joan Sheldon want—then the accounts and staffing of the Bank of Queensland will also be open to absorption into the larger group. In addition, Metway has bought 3 per cent of the Bank of Queensland. That is 47.5 per cent that is at risk. If Metway does take over the Bank of Queensland, which the Opposition opposes totally, as do all thinking Queenslanders, just as it is talking over Suncorp and the QIDC, then honourable members can be sure that it will impose the same plans to close duplicate branches and throw bank employees out of their jobs. If the Bank of Queensland is lost to Metway, the Opposition calculates that 66 Bank of Queensland branches will be deemed as

duplicates and be closed. That calculation is based on the Treasury submission made to the previous Goss Government. We know how Treasury is thinking on this issue. Those estimates are rational, reasonable and quite conservative. If it closes its 66 branches, that will mean the disappearance of another 530 jobs—another 530 Queenslanders on the unemployment list.

**Mr T. B. Sullivan:** And they don't care.

**Mr BEATTIE:** That is dead right. The Government does not care. The 107 people who are employed in the head office of the Bank of Queensland will be struggling to find a place in the new Metway/ Suncorp headquarters. Under this proposal, we will lose the headquarters of the Bank of Queensland, as we will lose the headquarters of the QIDC, its regional headquarters throughout the State and the headquarters of Suncorp. We have not heard the Treasurer talk about saving the headquarters of those financial institutions.

At least 40 per cent or 43 of those employees at the headquarters of the Bank of Queensland will be retrenched. So without the protection of this amendment, as moved by the shadow Treasurer, a total of 573 jobs could disappear on top of the 1,000 already lined up for the chop. These are not just numbers; they represent people and families who face retrenchment in an economy with 9 per cent unemployment. Under this coalition Government, unemployment has been growing. If it stands for one thing, this coalition Government stands for unemployment.

At the very least, those people who are losing their jobs will face redeployment probably to another location, which will mean that they either leave their families and friends or lose their jobs. That is not much of a choice, but that is the choice that they will be given. It means that up to 1,600 employment positions which now exist will be discarded—vacancies never to be filled again.

The Treasurer is aware of the very real concerns of the Bank of Queensland about its future. One month ago the Bank of Queensland put forward a proposal to wind back the cross-shareholding in the Bank of Queensland. It is still waiting for a reply. What sort of contempt is that? This Treasurer has the hide to talk about a State of Origin series and about it being good for Queensland, yet the Bank of Queensland puts a proposal to the Treasurer about reducing the public share ownership in the bank and it does not even get a reply. The Treasurer of this State, who is controlled and manipulated by the head of Treasury, Doug McTaggart, is not even

prepared to give the Bank of Queensland, one of the finest financial institutions in this State, a sensible answer. The Treasurer is aware of the very real concerns of the Bank of Queensland about its future. As I said, this proposal to wind back the cross-shareholding in the Bank of Queensland, which was offered over a month ago, has not even been treated with an appropriate reply.

**Mrs Edmond:** She can't even be bothered to be here.

**Mr BEATTIE:** That is typical. The Treasurer is not present for this debate, but that does not surprise me. That is typical of the contempt and arrogance that she demonstrates for the Parliament and the people of Queensland.

More than 10 days ago the Bank of Queensland suggested to the Treasurer an almost identical amendment to that which the shadow Treasurer will move during the Committee stage. All it received was a bland acknowledgment; nothing more. This is the coalition Government that is supposedly worried about business, yet it cannot even reply to the Bank of Queensland. It is little wonder that the Bank of Queensland is thinking the worst. The Opposition believes that it has good reason to assume that Metway wants to capture its profitability and its profitable and well-respected business.

As late as last week, the Treasurer, writing in the *Sunshine Coast Daily*, entertained the possibility of the Bank of Queensland not being excluded from the merger. The hypocrisy of the Treasurer's position in this matter as well as that of Doug McTaggart, the ideological supporter of the Treasurer, is breathtaking. This Government has said that within five years the Government will sell down the public ownership in its so-called superbank to 15 per cent or less. That is the agenda in five years' time—to 15 per cent or less—but how does the Government treat the Bank of Queensland? Does it treat the Bank of Queensland in the same way? No, the Government is not going to treat the Bank of Queensland in the same way; it wants to keep the public ownership at 44.5 per cent plus the 3 per cent from Metway. It is not prepared to sell that down. The Bank of Queensland says that it is prepared to get some capital to buy back some of those shares to guarantee the future of the Bank of Queensland, yet the Government is prepared to be hypocritical, to adopt a total double standard and not accede to a reasonable request from the Bank of Queensland. I think that the way in which the Bank of Queensland has been treated by this

Government is a disgrace. I hope that this Parliament will support the Opposition's amendment to secure the future of the Bank of Queensland.

The Treasurer should note that the boards of Suncorp, the QIDC and the Bank of Queensland are not comprised of party apparatchiks. The members of those boards are respected members of the Queensland business community who have been chosen for their technical knowledge and experience in commerce. That is why they are on those boards. The only thing distracting Suncorp from its competition is the prospect of spending two years in a complex, messy process of bringing together three disparate organisations. Those boards may well have advised that, owing to all of those risks, the value of the merged entity in two years' time might not be as great as the Government would hope.

Since its announcement three months ago, each day the value to Queensland of this bid diminishes more and more. Members should look at the share market. Firstly, we learned that the Federal Government refused to compensate Queensland for the more than \$200m in tax revenue lost from the State Budget. Talk about a pack of hillbillies! They could not even get the coalition Government Treasurer to guarantee the financial position that existed prior to them accepting this bid. What a hopeless lot of clods. Then the Government spent taxpayers' dollars on a direct mail and telemarketing campaign of the 22,000 Metway shareholders. Of course, the Government does not mind spending public money on these things. It cannot find enough money for education, schools or hospitals, but it can find the money for the ideological obsession of the Treasurer and the head of Treasury, Doug McTaggart. Then the Government spends more than \$65m of taxpayers' money buying up 10 per cent of Metway on the open market. The Premier need not complain about the money necessary to support school cleaners when the Government has spent \$65m of taxpayers' money buying up 10 per cent of Metway on the open market. Now we have a bid price for Metway of \$4.80 a share or \$680m, when 12 months ago it was valued at \$3.30 a share. How does the Treasurer explain that? She cannot. She is putting at risk and wasting taxpayers' money.

The Treasurer has yet to explain—and I hope that she will have the courtesy to this House, to this democracy and to the people of Queensland to do so—if Metway shares are bought at \$4.80 and the value of one share

after the merger has been estimated by the market at between \$3 and \$4, who covers the difference?

**Mr D'Arcy:** The taxpayer.

**Mr BEATTIE:** Exactly. We get the answer from the honourable member for Woodridge, Mr D'arcy. The taxpayers pay. Let us have some honesty from the Treasurer. She has not answered that question. If she did, she would have to admit that the Government will cover the difference and that it will do so by allowing the value of Suncorp and the QIDC to be eroded as part of this messy deal with Metway. The value of those companies, which are currently owned by all Queenslanders, will be watered down to cover the cost of the outrageous offer price for Metway shares. That outrageous price has been forced on Queensland taxpayers by the Treasurer, who is trying to be the 1990s version of John Elliott, who was hailed as the white knight of the takeover market. However, by the end of this process, the Treasurer's white knight will be a little tattered. She may turn out to be Monty Python's black knight—the one who loses his arms and legs but wants to carry on the fight—and that is about it.

Since taking office, the Treasurer's three major assurances have been no increases in, or no new, taxes and charges—and let us see what happens when the Budget is handed down next week—a quick explanation of how the removal of the Sunshine Motorway toll will be paid for, and that the Suncorp-Metway merger will not cost the taxpayer anything. It is now clear that the Treasurer's assurances count for nothing. If politics had a rule of three strikes and you're out, Mrs Sheldon would be back in the dugout.

Despite the Government's higher offer, six out of 10 Metway shareholders voted against the Government. All of them received two letters from Mrs Sheldon pleading for support. Clearly, the mums and dads wanted to sell their shares and they did not trust the Government. It is inappropriate for the Government to be so involved in a commercial transaction, particularly as it is not subject to the normal rules of the game. The Treasurer's letters to 22,000 shareholders made unsubstantiated claims about profits and growth which cannot be made without evidence under Corporations Law, but the Treasurer has Crown immunity from that law.

Under this Treasurer, the State is in a lot of trouble. On Sunday I released three economic documents which show that this Government has no plans for the future—the

Queensland Government's State Strategic Plan 1996 to 2006, the State Economic Development Strategy 1996 to 2006, and the Foundation for a State Social Strategy Development. They are glossy documents without any substance. That sums up the Treasurer—no substance, no commitment to the future of this State—

**Mr HAMILL:** And not here.

**Mr BEATTIE:** Exactly, and not here. At the next State election the performance of this Treasurer on economic matters will be an issue because she is not up to the task, nor is the Premier and nor is this Government. We will make absolutely certain that the people of Queensland have the opportunity—

Time expired.

**Mr HARPER** (Mount Ommaney) (3.41 p.m.): It is a pleasure to rise to support this Bill and to examine some of the key issues raised with regard to rural services. I particularly want to correct some of the incorrect statements made by Labor members in their scaremongering campaign. The further into this debate we go, the more we see of that scaremongering tactic.

One of the main benefits of the merger is that it will result in an improvement in services to Queenslanders living in regional and rural areas. Indeed, this was one of the critical factors considered by the Government when it decided to proceed with this initiative. In recent years, major banks in particular have closed branches and withdrawn services from many parts of regional Queensland. Communities have been left without access to even the most basic of banking services. Yet what did we hear from members opposite? Very little! What action did we see? Even less! Perhaps this is not an issue that people who live in the south-east corner of the State can readily identify with. If a suburban Brisbane branch of a major bank closes down, invariably another branch of that bank is located nearby. The closure may mean that customers have a five or 10 minute drive and some inconvenience. However, if a local branch in one of the small communities in regional Queensland closes down, the nearest branch may be 50 kilometres, 100 kilometres or several hundred kilometres away. That causes a major and costly inconvenience for the people. It makes it impossible for many people to deal with banks properly.

Of course, the head offices of the major banks are in Sydney and Melbourne—miles away. Executives in high-rise towers overlooking Sydney Harbour or the Melbourne Cricket Ground make decisions to withdraw

services from regional Queensland centres and remote and regional areas throughout Australia. They do not really take into account the needs of the people in those rural areas. The merger of Suncorp and QIDC with Metway presents an opportunity to reverse this trend. Despite the rhetoric and scaremongering we have heard from members opposite, the facts are quite clear—this will reverse that trend in Queensland. It is a pity that Opposition members do not stand up for Queenslanders, which is what the Government is doing.

For a start, many centres will benefit from access to a broader range of services. Members opposite will not recognise that fact for some reason; they seem blinded to the issue. The heads of agreement with Metway Bank specifically provides that any centre presently with a Suncorp or QIDC branch is guaranteed a branch of the new bank. Rural and regional centres which presently have only a QIDC branch will benefit from a considerable upgrading of services. Eleven centres currently have only a QIDC branch, and 10 of these are in regional Queensland. They include Atherton, Biloela, Charleville, Goondiwindi, Longreach, Mareeba, Miles, Mundubbera, Richmond and Stanthorpe. Those centres will have improved services. Do members opposite applaud or commend that move and think that it is good? No. They are not really interested. They are only interested in scaremongering for political capital.

While QIDC provides excellent business banking and rural lending services, it is not presently able to offer a retail banking service, which is critical. The new branch operation will offer an expanded range of services, including retail banking, insurance, superannuation and investment services. The Government is sure that the people in those areas will welcome that initiative and the increase in services. Those centres will benefit from access to a full range of services which will be offered by the integrated banking and insurance operation. Yet what do we hear from members opposite? They seem blinded to the issue. These services will be in addition to QIDC's specialist business banking and rural lending services.

This represents a major step forward for people living in rural communities who, as a direct consequence of the merger, will be able to attend to all of their banking and insurance needs at the new branch of the bank, and that will be a major benefit. Yet all we hear from members opposite, and particularly the Leader of the Opposition, is scaremongering about the closing of branches in those centres. What a load of rubbish! Those centres will have major banking, insurance and superannuation

services available to them despite scaremongering comments from the Leader of the Opposition and his team.

At the same time, centres that presently do not have a QIDC branch will benefit from an upgrading in services with the merged entity's extension of QIDC's specialist banking expertise. Those specialist services are very important to a lot of the people in those areas. The Merger Planning Group recognises the strategic advantage of QIDC's specialist expertise in lending to primary producers and small and medium sized businesses. It is keen to ensure that this expertise is carried over to the merged group.

In fact, the Merger Planning Group is exploring the possibility of retaining the QIDC trading name to be used for the specialist business banking and rural lending activities of the merged group. Rural and regional communities will also benefit through the requirement to maintain rural lending at QIDC levels. Again this is a specific provision in the heads of agreement with Metway. It ensures continued access to the loan funding for the State's rural producers and is consistent with the Government's specific commitment to ensuring that the specific needs of rural and regional Queenslanders are met.

Notwithstanding the upgrading of services in non-metropolitan areas, the Labor Party has been doing its best to portray the merger as not being in the interests of regional Queensland. What a load of bunkum! It is merely another scaremongering exercise. There has been no substance to Labor Party arguments, which are just unsubstantiated assertions with little basis in fact. Indeed, the record shows that Labor has no credibility on the issue of service provision to rural and regional communities. One need only look at the appalling record of the previous Labor Government to realise that on this issue the Labor Party is shallow, insincere and completely lacking in credibility. One is surprised that Opposition members, given their track record, would be game enough to stand in this House and make the comments they have.

In Labor's manic pursuit of economic rationalism, it was ruthless in cutting back services to rural and remote communities, and that is on record. Courthouses were shut, Government offices were closed, rail lines were closed and a range of other Government services were withdrawn. Little consideration was given to the impact on rural communities already suffering from the effects of severe drought. Given this record, I find it incredible

that the Labor Party thinks it can now be taken seriously when it claims to be concerned about maintaining services in regional Queensland. What a joke! It is quite obvious that Labor is not genuine in its concerns and that its arguments are not believable, especially when it is critical of a measure that will benefit the bush. Opposition members do not seem to be able to recognise that.

Labor's lack of credibility on this issue is evident in its desperation to find some way that regional Queenslanders will be adversely affected by the merger. It seems that it could not find any, so it tried to invent some—another common tactic in its normal scaremongering campaigns. For example, some weeks ago the Leader of the Opposition was quoted in the media as saying that as a direct result of the merger there would be a rise in interest rates charged to farmers. Let us examine that. The arguments upon which this assertion was based show that the Leader of the Opposition failed to understand the corporatisation policy of his previous Government. The Opposition has claimed that, as a result of the merger, QIDC will lose the benefit of its AAA credit rating. That AAA credit rating applies solely because QIDC is wholly owned by the Government and because its obligations are explicitly guaranteed by the Government.

Further, according to the Opposition, the assignment of a lower credit rating to the merged entity will result in a higher cost of funds and this will force higher interest rates to be charged to farmers and other borrowers in rural areas. How can Opposition members stand up in this place and say that? What a load of bunkum! They should look at their record and what they did. Let us look at the facts. QIDC funding costs are higher than would otherwise be the case for a AAA borrower. This has been the case since QIDC was corporatised in October 1994, when the now Opposition was in Government. The Opposition knows that, and one can conclude only that it deliberately misrepresented the situation to score political points. Opposition members knew that it was the Labor Government which corporatised the QIDC, gave it a strictly commercial charter and made sure that it was subject to competitive neutrality.

To place the QIDC in a competitively neutral position, mechanisms were put in place by the Labor Government so that it would not be able to borrow with the benefit of the Government's AAA rating. To do that, the QIDC corporation legislation provided for the QIDC to be charged a guarantee fee. That fee

represents the difference between the AAA cost of funds and the cost of funds to the QIDC on a stand-alone basis, that is, without the benefit of the Government guarantee. Perhaps I should explain that a little more fully so that members opposite who may not have taken notice at the time of their Government's policy and legislation will understand.

For example, let us assume that the QIDC with the benefit of a Government guarantee were able to obtain five years' funding at an interest rate of 8 per cent. Let us also assume that the QIDC would have to pay 8.25 per cent for the same funding if it did not have the benefit of a Government guarantee. That is fairly simple—8 per cent and 8.25 per cent. In these circumstances, Treasury would charge a guarantee fee to the QIDC amounting to the difference between the Government guarantee borrowing rate of 8 per cent and the stand-alone rate of 8.25 per cent. That guarantee fee would be calculated at 0.25 per cent, or 25 basis points, and would be payable into the Consolidated Fund. What is the result of that?

The analysis shows that it was the Labor Government's policy to ensure that farmers and other rural borrowers—in fact, all of the QIDC's clients—paid the same interest rate as available from any other lender with a rating similar to that of the QIDC on a stand-alone basis. Did we hear members opposite admit that today or in any of their arguments? No, of course they did not, and yet it was their legislation—their policy—that brought in competitive neutrality to create a level playing field. Today, Government members have had the hide to say that that facility will be lost to farmers and businesses. Something cannot be lost if nobody ever had it. Under the previous Labor Government, those people never received any benefit. The analysis shows that it was the Labor Government's policy to do that. There was no particular advantage to anyone borrowing from QIDC on the basis that its Government ownership would allow it to pass on a cheaper cost of funds to its clients. If QIDC was able to offer cheaper loans than the banks and other lenders in certain circumstances, it was probably due to factors other than its own cost of funds. That position should not be affected by the merger. In fact, the merged entity's position will be strengthened such that it will be able to offer more attractive deals.

Clearly, the whole argument mounted by the Opposition is spurious and has the sole objective of causing anxiety amongst farmers and other clients of the QIDC. Opposition

members are not really worried about that. They are quite happy to cause anxiety for people through scoring cheap political points for their own benefit. I do not accept that the Opposition Leader and others on his front bench do not understand the purpose and operation of the guarantee fee about which I have been speaking. I can conclude only that they have been simply trying to score cheap political points by deliberately misrepresenting the position.

Labor had its chance to do something positive for people in regional Queensland. It had over six years in which to do something. However, its record in Government shows that Labor had little regard for people in the bush. That fact is quite clearly documented and was illustrated in some of those points that I raised earlier. Labor was more concerned about closing the courthouses and rail lines than about enhancing services to regional Queensland. Labor is now out of Government and attempting to distance itself from that record. Labor Government members seem to have very short memories. The Government is hoping that the people in the bush also have short memories and will be taken in by its pathetic attempts to portray itself as a champion of the cause of farmers and others living in rural and regional communities.

The fact is that the Government's merger of QIDC and Suncorp with Metway will benefit people in rural and regional Queensland. Mr Deputy Speaker, I can assure you, as one who knows people in rural communities, that they will not forget in a hurry what happened to them over the six and a half years of the former Government. They will remember the position the former Government placed them in.

The move by this Government will result in an upgrading of services to many communities outside the major metropolitan areas, reversing the devastating trend of service cutbacks that characterised the term of office of the previous Labor Government. In addition, the merger will ensure that rural lending is at least maintained at current QIDC levels. Further, QIDC's specialist expertise in rural lending will be retained and strengthened, in spite of the comments from members opposite whose aim is to spread panic. This service will be made available more broadly across the State through a more extensive branch network. One has only to examine the various branches of each of those three arms now where they operate solely to see the benefits that will flow into many towns and regions from this merger.

In conclusion, it is a pleasure to support this Bill. It is a tremendous initiative on behalf of this Government and the Treasurer. Its importance to Queensland cannot be underrated. Some of other speakers will mention other points, and I do not want to steal their thunder, but many facets of this move will benefit Queensland as a whole. It will benefit people who live in the suburbs of Brisbane, in other major towns or in the remotest of communities, be they individual workers or people engaged in small or medium-sized businesses. It is essential that Queensland have this sort of facility available to it. The Government is to be commended for taking the initiative to ensure that Queensland, instead of losing another bank to the south, will retain and strengthen its bank. In this way, we will have a major banking and insurance institution based in Queensland for Queenslanders. I support the Bill.

**Mr D'ARCY** (Woodridge) (3.57 p.m.): I oppose the way in which the Government has introduced the State Financial Institutions and Metway Merger Facilitation Bill 1996. Similar to members on this side of the House, I believe that the modus operandi of the Government is to place a time bomb under the State. That is really what it all boils down to. As to the Government's mismanagement in this instance—although the principles behind the merger are probably sound, the bottom line is the valuation. The Government is buying an entity and merging organisations that have an existing facility, and it is doing so at a price that is above the going rate.

**An Opposition member** interjected.

**Mr D'ARCY:** I do not think it is. It is way above the going rate. No sane investor would attempt to buy these institutions and put them together in this way. It is not possible. The valuation is what has to be looked at. The Government is saying, "The reason for buying it is to sell it down." Institutions that we have cherished over many years, namely, Suncorp and the QIDC, will be sold at a loss to the Queensland taxpayer. That is not a sane thing to do.

It is very hard to work out who is behind the move. The Under Treasurer, Dr McTaggart, is getting the blame for it not just in this place but also in the industry. We heard the brainwashing drivel from the member for Ommaney about how things in Queensland will improve with the merger. It is brainwashing. The economic rationalists have to take hold of this issue. The merger cannot work. However, the Government might give the merger half a chance if it brought in "The Chainsaw".

**Mr Stoneman** interjected.

**Mr D'ARCY:** Elsewhere, an American who was brought in cut out the hearts of the organisations concerned, earning him the title of the "Chainsaw". That is the only way in which the Government could make this merger work. In reality, we started off with a Dutch auction. The institutions that were involved in the bidding for the bank were St George and the Government. The original St George proposal was a cash offer of \$4.62. The Government went to \$4.65. At that stage, St George itself was obviously under threat from the National Australia Bank, but it made it very clear that it made that offer because it could make the institution work on a financial basis; it had the wherewithal to do it. In other words, St George already had in place the facilities to which the member for Mount Ommaney referred—the travel facilities, all the insurance facilities, and the usual banking facilities that the larger banks and institutions have the capacity to supply to the general public.

The Government is asking the new institution to combine three specialist areas. Metway has been largely involved in house lending, Suncorp has been largely involved in insurance and the QIDC has been largely involved in industrial lending. The Government is proposing that those three institutions with their respective specialties, which have suited Queensland's situation very well, must now compete with institutions such as Westpac, NAB and the Commonwealth Bank, which already have that combined expertise. The Government claims that this will be done with no job losses. That claim just does not ring true.

The major point that I come back to is that the Government cannot justify the valuation. Any sort of valuation that comes up is a jacked-up valuation. A share price of around the \$4.60 mark was being considered, and that was highly inflated at that time. The Government was offering \$4.80 per share, but what is a Metway share worth if sold down on the market today? It is still in the range of \$4.60. It is holding up at \$4.60—and any broker in Queensland or Australia will tell the Government this, because they think it is a joke and they think that we have done the most stupid thing imaginable—only because those people are going to get 20c more a share when they sell in November.

The fact of life is that we are paying way above the market value, and it is not possible to justify that above-market value. No matter how the Government bumps up these valuations, it cannot be done. The Opposition

did not invent the term "banana bank". It was invented by the financial institutions themselves. I believe that the *Australian Financial Review* was the first publication to use that terminology. In the long term, this proposal may mean that Queensland taxpayers will face a loss of up to \$500m or \$600m.

My advice to any shareholder would be to take the \$4.80 in cash. I believe that brokers have been inundated with requests for information. People have been asking, "What should we do?" People do not like paying tax, but the fact of life is that they will pay capital gains tax on the sale of these shares. My advice would still be to take the \$4.80 and pay the capital gains tax, for the simple reason that after the valuation is finished each share will be under the \$4 mark. Even after paying capital gains tax to the Commonwealth, people will still finish in front. Through this merger, the State Government is supplying a taxation windfall to the Commonwealth Government, we are losing taxpayers' money, and on the current market we are looking at a capital valuation of Metway shares of under \$4. I would like someone to bet against my judgment that it is not the case that in February next year that is what the price of that share will be, and it could even be a lot lower.

**Mr Schwarten:** Who will pick up the shortfall?

**Mr D'ARCY:** I have already said that the taxpayers of Queensland will eventually pick up the shortfall. If the share is cashed at the rate I believe it will be cashed at, on the \$4.80 decision in November, this State will be out of pocket by a tremendous amount of money when it should not be.

The only reason I have heard from the Premier and the Treasurer for this merger going ahead was that they were trying to protect Queensland's interests. Let us consider what has happened in Queensland over the last 30 years or 40 years, when most of us were growing up. Queensland was a very comfortable State when it was geographically separated from New South Wales in real terms. Now we are an hour from Sydney and two hours from Melbourne by plane. We are on the same time zone. Perth is probably the only State capital which has managed to keep some head offices.

Those who have been around long enough should consider some of the firms and companies which had head offices in this State. It was a comfortable feeling to have the Finneys, the McDonnell and Easts and the

Allan and Starks with their head offices and boards based here. But they have all gone, for the simple reason that it is not possible to maintain them. Mount Isa Mines is the only major firm with its head office here—and it has not been too successful in recent times—and that was virtually forced on it by virtue of loans from the Queensland Government over a period, otherwise it would have gone, too.

Forcing the situation through an Act is not going to work when the economic rationalists start to figure out that they are going to lose money. As soon as that occurs, the economic rationalists will start cutting. They will cut the various areas of the new institution, and they will sell it down. Queensland, with its 3 million people, is really too small for any project of this nature to be kept in a box. We cannot keep it in a box. We cannot insist on the siting of the head office of a bank through a piece of legislation. Any project in this State that needed and deserved financial backing has not been stopped through lack of finance. There have been many other reasons. But the fact of life is that, in reality, if a project will stand on its own financial feet, it can get backing from the existing institutions. The only story I have heard from the other side of the House is that the Government is prepared to risk taxpayers' money to buy something at a higher price than it is currently worth to sell it down at a lower price. It just does not make sense that that should occur. It is becoming more and more evident that this Government basically is not up to the task of the economic management of this State.

The Bank of Queensland has been mentioned on several occasions by the Opposition. Early in the piece, the *Australian* wrote—

"Bank of Queensland, which is 44.4 per cent owned by Suncorp, was also invited to participate by way of a scheme.

But Bank of Queensland directors last night informed the Government that they had declined the invitation because they had decided it was not in the bank's best interests to join the proposed merger."

That was on 13 June. Since then, while that Dutch auction was going on, I believe—and this is hearsay—that the Bank of Queensland board has written to the Treasurer asking to buy back its equity. I understand that the Treasurer has not answered that letter. The *Australian* made this further comment—

"Certainly that would be the case over the longer term as a merged Metway-Suncorp-QIDC would be required

to dispose of its existing 44.4 per cent stake in Bank of Queensland.

Bank of Queensland directors last night pointed out that the bank is in a very strong financial position and has a consistent record of strong performance, with a compound rate of growth of (about) 27 per cent over the past 12 years.

The bank was continuing to perform well in a competitive environment and in the May 1996 quarter was one of the fastest growing banks in Australia."

What is the Government up to? I am mystified that the Government is not allowing the Bank of Queensland to buy back its equity. Under the RBA rules, the bank must dispose of that equity after the merger. In other words, after this legislation is passed—the merger takes place—it will be breaking the rules. Maybe the Government wants a double whammy out of the Wallis inquiry, and that inquiry is another thing about which I am mystified.

Another reason the Government has given for the merger is that it will protect Queensland through a new banking conglomerate in this State that will have all the facilities that normal banks have anyway. It is quite obvious from what the Prime Minister, John Howard, has been saying that the Wallis inquiry report will result in an open ended bank institution Bill. If that happens, all of these requirements will go. Will the Government take over the Bank of Queensland then? Government members should remember that this State bank of theirs will become vulnerable at the same time. If the Wallis inquiry expectations come to fruition, this merger will result in a loss of taxpayers' money for no real reason. All that will happen is that the NAB or one of the other big banks will be able to move in and swallow up the operation. Those banks will be paying attention to the legislation this Government passes that requires that banking services in some centres be kept open. Government members should not be so stupid. Nothing like that is going to happen. All we will see is the "Chainsaw" trick. It will be exactly the same as in all the small towns in Queensland; they will be left bereft of banking institutions.

I would also like to broach the issue of jobs. The fact is that, if this merger occurs, jobs must go. The Opposition mentioned that in this place, and the member for Gladstone was interested in it. We said that the only job losses that should result from this merger should be through natural attrition. I wish to

refer to another report I have with me. This report, from Tokyo, states—

"Meanwhile, the Queensland Premier, Mr Rob Borbidge, dismissed claims that more than 1,000 jobs would be lost as a result of the merger of Metway, Suncorp and Queensland Industrial Development Corporation.

When asked by the Australian Financial Review at a business function in Tokyo if 1,000 jobs would be lost as a result, Mr Borbidge said, 'That is inaccurate.' "

Then he said—

"Certainly I am not aware of job losses to that extent that you mentioned; obviously there will be a degree of rationalisation."

That is what the Premier said in Tokyo.

**Mr Grice:** Rationalisation by attrition.

**Mr D'ARCY:** That was an interesting interjection. Everyone in this place knows what that word means. Whether it is the Government dismissing school cleaners or whether it is a new way of doing things, the result is a loss of jobs. Pledges that things are going to happen mean nothing to the economic rationalist.

We come back to the fact that this merger is based on valuations. If the Government was buying below the market price to put this entity together, I would applaud it, but it is not. It is buying at a price that is way out of kilter particularly with the Wallis inquiry recommendations hanging over its head. It is showing that, as a Government, it does not have the financial expertise to be able to handle the economy.

**Mr GRICE (Broadwater) (4.14 p.m.):** It is always a great privilege to follow the wisdom of the member for Raby Bay/Woodridge. We all listen to him very carefully. It has been suggested that the member for Woodridge has moved up to about fourth position on the grid in the leadership battle in the Opposition.

**Mr Welford:** He is a long way ahead of you.

**Mr GRICE:** No, he is fourth spot on the grid, after Mr Braddy, Mr Hamill and the half-back. He is looking good.

In five years' time, when all will be able to see the result of this Bill—and by then those opposite will be the professional Opposition because they will have been on that side of the House for even longer—it will be apparent that what the Government is saying is the truth. At that time people will be asking what

the permanent Opposition was talking about five years ago.

**Mr D'Arcy:** It will be like the Gold Coast Building Society—no-one will remember what it was.

**Mr GRICE:** Not us young people, anyway.

Much has been said about the potential for job losses as a result of the merger between Suncorp, QIDC and Metway Bank. Much of this has been simply misinformation peddled by the Opposition. The objective of this scaremongering campaign has been to cause anxiety among the employees of the three entities involved in the merger—anxiety that is unnecessary.

The issue on which members should focus is the longer term employment impact of the merger compared with the status quo, that is, if Metway had been taken over by St George, and Suncorp and QIDC remained as stand alone entities wholly-owned by the Government. The merger creates a major national financial institution headquartered in Queensland. In the longer term, this will mean more secure and rewarding jobs and vastly superior career opportunities for the staff of the merged entity. In addition, it is expected that new and expanded job opportunities will be generated from the growth of this new entity because of its enhanced size, or critical mass.

**Mr Welford:** What job opportunities?

**Mr GRICE:** The member has to pay attention. I cannot keep repeating myself just to help him.

Moreover, there will be a need for expanded operations at each branch of the new bank. In this regard, it cannot be simplistically assumed that all duplicated branches in any centre would be closed and all those jobs lost. Each branch of the new bank will still need to service the same or increased volumes of customers as the previous branches and will be providing an expanded product range, including insurance, superannuation, investment management and other financial services. In this context, there will be an expanded staffing requirement in continuing branches of the new bank.

Another important factor to consider is that jobs are saved and additional jobs created by a major head office located in Brisbane. If the St George takeover had proceeded, up to 600 jobs in Metway's head office would have been lost. Opposition members have made no comment on that. As well, retaining a major head office in Brisbane

also preserves jobs in businesses providing support services to that head office. These include professional services in accounting, legal, marketing, public relations and information technology. Also impacted upon are other support services such as a stock registry, printing and communications.

Notwithstanding the long term employment potential of the merger, Labor was quite prepared to see Metway be taken over by St George with not only the job losses but also the loss of decision making from Queensland. Its actions have shown quite clearly that the Labor Party comes first and that the State of Queensland comes a distant second. Nowhere was this more clearly demonstrated than in the preparedness of Labor Holdings to vote with St George Bank at the Metway shareholder meetings on 26 June. The Labor Party was prepared to sell out for its 30 pieces of silver.

How did the Leader of the Opposition explain this action to the people of Queensland. His sheepish response—and it was that—was that it was not his decision to make. He said that it was a decision of the Labor Holdings company—as if Labor Holdings is in some way divorced from the Labor Party. He claims that it is okay for Labor to betray the people of Queensland—to betray the staff of Metway—because it was not really the Labor Party, just its fund-raising arm. The Leader of the Opposition could not find a big enough hole in which to hide—but one cannot hide when one trades in treachery.

I ask honourable members to compare that action with the words of Labor Party members in this House on 15 May when we were debating the Suncorp Insurance and Finance Amendment Bill. In that debate, the Shadow Treasurer said that, in light of the loss of Metway to St George, it behoved the Parliament to be very protective about the existing Queensland marketplace.

**Mr HAMILL:** I rise to a point of order. The honourable member is obviously quoting from the Treasurer's speech, and I have already pointed out that the Treasurer misquoted me in her speech.

**Mr DEPUTY SPEAKER** (Mr Laming): Order! There is no point of order .

**Mr HAMILL:** He is misrepresenting my words.

**Mr DEPUTY SPEAKER:** Order! There is no point of order.

**Mr GRICE:** As the member knows, the action did not match the rhetoric; these were just words. The member did not really mean

any of it because the Labor Party could make a buck by selling out on Queenslanders. So much for being protective of the Queensland marketplace.

I refer members to something else Mr Hamill had to say on 15 May. He said that we would all lose by St George taking over Metway because of the loss of decision making to Sydney. Again, for a price, the Labor Party was quite prepared to sell out on this principle. Members opposite were quite prepared to allow us to lose that decision making from Queensland.

The Treasurer said it all in her second-reading speech. The Labor Party was prepared to sacrifice Metway's head office to Sydney. It was prepared to sacrifice those head office jobs to Sydney. Queensland would have lost a major Treasury operation. Also lost would have been other head office functions such as accounts, central administration, information technology, purchasing and human resource management. Queensland would have lost more jobs in support service areas such as audit, legal services, marketing and public relations. All of these contracts and associated jobs would have gone to Sydney firms. Clearly, Labor was quite prepared to accept the direct and indirect loss of jobs when Metway's head office was gutted by St George and removed to Sydney. Labor was quite prepared to accept that all significant decisions would have to be made out of Sydney.

Let me compare this with the economic strategy put forward by Labor when in Government. It was in April last year that, with much fanfare, Labor released its economic blueprint From Strength to Strength. In that document Labor said—

". . . with Queensland's expected strong contribution to Australia's future economic growth, Brisbane has an opportunity to play a role as a major regional centre in the Asian region."

I would imagine that the member for Woodridge would have to disagree with his party in that respect.

Labor went on to say that—

". . . an important way the Government can facilitate this process is to encourage firms to base their regional headquarters . . . in Queensland—either through the relocation of head office firms from elsewhere in Australia or, more importantly, through attracting overseas firms to base their Asian region operations in Brisbane."

Today, the downcast, forecasting member for Woodridge told members that Queensland is too small for that. Labor's From Strength to Strength program said just the reverse. In addition, Labor was to pursue a strategy to encourage major South East Asian financial institutions to establish offices in Queensland. All of this would supposedly add to Brisbane's status as a regional financial centre.

So how does this stack up against Labor's preparedness to sell out to St George? The answer, of course, is that Labor's actions are directly opposed to one of its own express economic objectives. Rather than encourage firms elsewhere in Australia to relocate their head offices to Brisbane, Labor was prepared to be an accomplice in the efforts of a southern-based firm to relocate a Queensland head office to Sydney. Labor railed against us for endeavouring to keep Metway Bank in Queensland yet had a policy which offered millions of dollars worth of State tax concessions to foreign firms to bring their head offices to Queensland. The much-touted regional headquarters legislation offered complete exemptions from State taxes and charges for international firms establishing regional head offices in Queensland. This included exemptions from payroll tax, stamp duty and land tax. Labor was prepared to forgo millions to encourage others to come here but was not prepared to stand up and support one of our own.

The Treasurer made the point in her second-reading speech that Labor, in supporting the St George takeover, was prepared to sacrifice decisions about service in rural and provincial Queensland to the St George head office in Sydney. We have seen how well the major banks have treated regional Queensland. From their head offices in Sydney and Melbourne it has been easy for them to make decisions to close down operations in rural and provincial Queensland. St George would have been no more sympathetic about service people in the bush. It is not surprising that Labor was prepared to tolerate this, because its record in Government was one of closing down Government services in the bush. It closed courthouses, rail lines and Government offices of various kinds. But Labor was prepared to accept the adverse consequences of the St George takeover of Metway because Labor Holdings could make a buck out of it.

Then came the about-face from the Labor Party—an about-face that is not surprising from such a bunch of hypocrites. Suddenly, it became concerned about jobs and services in regional Queensland. It started to bleed from

the heart as it had never done before. It conveniently overlooked its support for the St George takeover and what that meant for jobs in Metway. It conveniently overlooked its own record in Government when services in the bush were savagely cut back. It conveniently turned its back on the principles it had set in place when in Government for the operation of GOCs such as the QIDC and for Suncorp, which was about to be corporatised. It overlooked the fact that it was Labor that gave them their strictly commercial charter. It overlooked the fact that, in accordance with those commercial principles, Suncorp had set about rationalising its operations to minimise costs and secure the best possible commercial return for the Government as shareholder. In the 12 months to June 1996, most of which was presided over by the former Labor Government, Suncorp closed five branches and 22 agencies around the State. It does not matter to Labor now that it is in Opposition that the merger proposal is a commercial arrangement designed to maximise the value of the State's financial services businesses and produce the best possible return for the people of Queensland.

It is worth tracing the backflips that Labor has done on this issue. First, when it was in Government, it was concerned to ensure that the QIDC and Suncorp acted commercially. Jobs and services in the bush were a matter for commercial judgment. Then it became concerned about the loss of Metway and made impassioned pleas to this Parliament to be protective of the Queensland marketplace. Then came the reversal as it washed its hands of the Labor Holdings intention to sell out to St George. Then there was another reversal as it switched back to concern about jobs and services in provincial Queensland. I said before that Labor had done a backflip. In fact, it has done at least three backflips.

At this point it is worth reflecting on the facts about the impact of the merger on jobs and services in provincial Queensland. There is no doubt that there will be some impact on jobs. However, natural attrition will help lessen the impact on job losses. The Merger Planning Group has undertaken to use its best efforts to keep the level of redundancies to a minimum. This is consistent with the objectives reflected in the resolution of the Parliament that there be no forced redundancies or forced retrenchments. Moreover, any changes are expected to occur over a period of several years, and staff will be given ample opportunity to adjust to the new arrangements. Any concern amongst staff has been generated by the outrageous claims of

the Opposition about possible job losses implied by a Treasury report prepared for the previous Government.

Notwithstanding that this is an outdated report prepared in December 1995 for the previous Government, it should be noted that the numbers quoted by the Opposition were from a worst-case scenario. The Opposition also chose to ignore the assessment in that report that the majority of branch rationalisation could be achieved with minimal recourse to forced redundancies. That report also stated that the rationalisation process was not expected to be implemented during the first six months post merger and that completion of the rationalisation process was likely to take around two years. Quite clearly, the rationalisation process will be gradual and will be managed to ensure that staff have time to adjust to the new arrangements.

The chairman of the Merger Planning Group, Mr John Lamble, is on the public record as saying that it is important to recognise that the merged entity's greatest asset is its people. He said it was important to treat those people in a way that respects the value that they provide to the enterprise. As has been stated previously, these are the principles upon which human resource management will be based in the merged entity and upon which the staff will be able to rely. On the other hand, if Labor had remained in Government, Metway would have been lost to St George. Even with Labor out of Government, Labor Holdings was prepared to sell out Metway to St George. Suncorp and QIDC would have come under increasing competitive pressure and their viability would have been threatened. Clearly, Labor would have offered few guarantees about the longer term employment prospects in these organisations. The merger offers the best prospects for long-term job security and rewarding career opportunities for the staff of all three entities—Suncorp, Metway and QIDC.

**Mr CAMPBELL** (Bundaberg) (4.28 p.m.): This legislation provides for two aspects of the decision of this merger, namely, the political and the commercial aspects. From a parochial, political point of view, there are lots of reasons for Queensland and a Government to undertake a decision and a merger such as this. However, it is a very poor commercial undertaking. We really should look at that aspect of it. In reality, the Government is paying too high a price, and I believe it will be a great cost to the Queensland taxpayer.

The member for Broadwater spoke about some of the principles that are involved. It is

interesting that he is asking a Government to get involved in a purely commercial undertaking which involved the proposed St George and Metway merger. It is also interesting that a supposed free-enterprise Government would say that this is what should happen in the marketplace. I would have thought a free-enterprise Government would have been saying that Government should keep out of the marketplace, should not get involved and should allow the market to decide.

The Government has bought Metway shares at an inflated price. That will prove to be a very high cost. The member for Broadwater mentioned the regional headquarters legislation that provided incentives for businesses to come to Queensland and set up their headquarters. Those companies would receive subsidies and exemptions. However, the member for Broadwater did not understand the legislation. Those exemptions applied only to offshore activities; they were not for all commercial activities within Queensland. If a company set up a regional headquarters, any operations that took into account dealings in Asia and outside Queensland received exemptions. I believe that the member for Broadwater does not appreciate or understand that legislation.

**Mr Nunn:** He was reading someone else's speech.

**Mr CAMPBELL:** Perhaps he was.

My first objection to the merger has a financial basis. Financial controllers have to make good financial decisions, and this is not a good financial decision. The Metway PE ratio, that is, the price to earnings ratio, is currently 14.2. That is calculated on \$4.80 a share. The industry accepted PE ratio in the financial sector—which includes the banks—is in the range of eight to ten. In other words, Metway is overvalued. Only one or two other entities, one of which is the Bank of Queensland, are in the 13 range. Of course, that bank is subject to a possible takeover and by implication comes under this legislation. All other financial organisations are at the industry benchmark that is accepted for valuing shares of reputable companies, that is, eight to ten. In other words, the stock is overvalued.

That brings me to my second point. If the price of the shares and, therefore, the value of Metway are overvalued, at the time of merger Suncorp and QIDC must be undervalued to meet the total entity value that has been quoted. The Government cannot have it both ways. It has overvalued one aspect and it will have to undervalue the others. That will

happen, because of the inflated price of Metway. It is very poor that, because the Government has paid a high price for this merger, it must now undervalue Suncorp and QIDC.

**Mr Hamill:** Cashing in our chips.

**Mr CAMPBELL:** Cashing in the chips.

**Mr Hamill:** Cheaply.

**Mr CAMPBELL:** Cheaply, which is a concern.

When the merger was first mooted, the Government referred to obtaining an entity of reasonable size. Even after the merger, the bank will still be only a medium-sized player nationally. It will not be in the big boys' league. This problem was outlined in the *Australian Financial Review*. In that article, Chancellor indicated that the problem for what he called at that stage the "B Bank", that is, the "Banana Bank"—which is a difficult tag for this Government to wear; Queensland has now returned to a banana economy status—is that it will remain a medium-sized player, with medium-sized revenues but require big bank spending on technology and distribution systems to stay in the race.

The "Banana Bank" has to be protected through legislation. It is very difficult, if not very poor decision making, to protect by legislation an organisation that will be in the competitive market of the financial sector. Decisions of an uneconomic nature will be forced by this legislation. The effect will be to down-value those shares because, if limitations are placed on any shares, they will be devalued. Not only has the Government paid the high price for the shares of \$4.80 at a price to earnings ratio of 14.2 but, by imposing restrictions on the activities of the merged entity, it is also impeding the value of those shares, which will devalue them in the future. That is another commercially poor decision.

The aspect that really concerns me overall is that, by merging three operations, Queensland loses three headquarters to create one. Although the Government is saying that as a principle it is trying to protect Queensland's head offices, it is doing away with two. In fact, because of the shareholding of the Bank of Queensland, I believe that the merger cannot go ahead unless the Government drags in the Bank of Queensland. The Government is doing that in a backdoor, very sneaky way. It is more or less demanding that the Bank of Queensland be brought in—because it has very valuable shares and is a valuable asset—to try to prop up the merger operation. That will happen.

**Dr Watson:** That's nonsense.

**Mr CAMPBELL:** What will happen to the shares? They have to be sold and the Government will not allow them to be sold. They will not allow the bank to buy them back.

**Dr Watson:** Who said they have got to be sold?

**Mr CAMPBELL:** Those shares have to be sold when the new entity is no longer owned by the Queensland Government, because Metway owns 44-plus per cent of the shares. Under the Reserve Bank's requirements, those shares have to be sold.

Great difficulty will be experienced when bringing those three entities together. The Government will attempt to bring three different operating systems into one. If that happens, many people will require retraining because they will not know the system. Whether the Government likes it or not, the only way that those three systems can be brought together is through rationalisation. With the costs of this complicated merger, the only method of maintaining the earnings of the merged entity will be to rationalise. It has been said that possibly up to 100 branches could go, with a loss of up to 600 people. That is of real concern to me in Bundaberg. At present, Bundaberg has a regional Suncorp operation for commercial insurances, three Suncorp branches, two Bank of Queensland branches, one QIDC branch and one Metway branch. The people of Bundaberg will see branches closed under rationalisation. In that area, which has close to 20 per cent unemployment, 11 or 12 jobs will be lost in CES and 13 jobs have been lost in Skillshare through Government cutbacks and rationalisation. The merged entity will now have to downsize in areas such as Bundaberg. I reject the merger on that basis alone. In our area, we cannot afford to lose one more job.

The reason for this rationalisation is that this complicated merger is taking place in what is probably the toughest financial period in the recent history of the financial sector. Returns in the financial sector are flattening out. Most of the building societies are not expecting a rise in profits. In other words, they are forecasting that they will be lucky to retain profits at their present levels. This complicated merger is occurring in these very difficult times and the entity is expected to retain earnings without a lot of pain. That pain will come in places such as Bundaberg and other provincial areas.

It concerns me that the insurance and banking operations of these merged entities will be separated. One of the strengths of

Suncorp was that it enabled people to do their banking and insurance transactions at the one time, yet this Government is proposing to divide those functions. That will create a difficult situation. The Government has said that it will make the banking and insurance functions separate entities. We will have to be very careful in that regard. I have to say that I appreciate the services of Suncorp because it provides the multitude of services that most other entities do not provide.

Another matter of concern about this new entity is that it will have approximately 25 per cent of the Queensland market. If this entity wants to expand, to where will it go? It would be very difficult for it to be able expand its market share in Queensland. I repeat the point that I made previously, that we are in a very tough financial situation. If we expand the operations of this entity southwards, it is going to be very expensive to undertake. So we are now faced with the difficult undertaking of this proposed merger. Although there are political reasons for it, on a commercial basis it is a very poor decision.

This merger will cost jobs. To justify the creation of this new body, its functions will be rationalised, and that means that jobs will go. Rationalisation will have to take place to maintain the earnings of this new entity, because the initial merging process will cost a lot. Because the shares of Metway have been overpriced, Suncorp and QIDC will be undervalued. Overall, this merger has not been the way to go. I believe that this decision will not do down in the annals of Queensland as an example of fine financial management. In actual fact, it will lead to a great deal of uncertainty for those people who have jobs with those banks. Very good people in the financial sector are not even interested in taking employment with Suncorp or Metway, or even the Bank of Queensland. Why would they? If they did, they would have an uncertain future. There is no certainty in this merger.

I believe that if we really want to do the right thing, and because of the Government's very poor financial management, we should not support this proposed merger. In the interests of good financial management, we should not do it. In the interests of jobs for Queenslanders, especially in provincial areas, we should not do it.

**Mr WOOLMER** (Springwood)  
(4.44 p.m.): It gives me great pleasure to rise to support this Bill and call on all Queenslanders to likewise get behind the new financial powerhouse that will result from this

merger. In this debate, it would be useful to reflect on the primary options that were open to the Government in respect of its financial services businesses and the reasons why the merger with Metway and the subsequent sell down is superior to other alternatives. Those options were outlined in the report prepared late last year by the Treasury task force, but which were rejected by the Labor Party.

Before commenting on those options, I point out that it is worth noting that the Government embarked on its course of action only after detailed consideration of all of the options and an extensive analysis of the individual merits of each separate option. Unlike the previous Labor Government which, on the eve of the Mundingburra by-election—at which it was so emphatically defeated by "Taipan" Tanti—rejected the recommendations of the Treasury task force report, this Government carefully considered the findings and recommendations of the report and made a decision that Labor knew it should have made but could not do so because it did not have the courage to make that decision. It is a decision that will achieve a strengthening of the Suncorp, QIDC and Metway businesses, enhance the long-term career prospects of the staff of those entities, enhance services to customers, including those in rural and regional Queensland, give ordinary Queenslanders the opportunity to take a direct ownership interest in those enterprises and a share in their prospects, and provide broader economic benefits for the State as a whole.

We have just heard the member for Bundaberg talk about job uncertainty and likely rationalisation. I can say that the only job uncertainty that has been created over this whole merger is that which has been created by the Labor Party in this State. During the months since the merger was announced, Labor members have talked it down and inflamed the situation. I can imagine the member for Bundaberg at the Suncorp counter saying, "I will do my passbook transaction today, thank you very much, but I am really fearful for your job in the future." Is that how Clem handles it uptown? Those organisations have a very, very well structured HR system, which is handling this situation very well via a 1800 number. If the member took the time to talk to the people working at the counter in Suncorp, he would know that they are very secure in their positions, he would know that they are very comfortable with this merger, he would know that they are looking forward to it, he would know that there is a dedicated person with a contact number in

Brisbane who is providing advice to all the people concerned throughout Queensland and, contrary to what the member would have us believe, that there is not a great deal of fear and trepidation in this State.

This decision was not a hasty, reactionary decision, as has been portrayed in the southern media. For a number of reasons, that type of portrayal is what we have come to expect from those journalists down south. This merger was not something that other Governments had the luxury of doing. The southern media were more comfortable dealing with basket-case businesses that needed to be flogged off as quickly as possible—many of them legacies of Labor Governments. The southern media find it hard to accept that a well-reasoned, tightly controlled and precisely executed strategy could emanate from anywhere north of the Sydney Harbour Bridge. Finally, they were chastened by the fact that there were no leaks and as a result were forced to make hasty conclusions that they were too proud to subsequently retract.

Indeed, the Government's strategy was carefully planned and every contingency was covered. For example, the bringing forward of the purchase of shares in Metway Bank was done in expectation of the possibility that St George would take retaliatory market-based action at the last minute. The purchase also served to give a clear signal to the market of the Government's resolve to succeed. That contingency was reinforced by the readiness of the Government to increase its cash offer at any time that St George decided to change the conditions of its bid, including on the floor of the Metway shareholders meeting. When that did in fact occur, the Government launched its higher cash offer. That was not its preferred approach, but it was forced into that course of action by the desperate eleventh hour change of tack by the St George camp, which was being urged on by the Labor Party's public calls to oppose the merger. Never before have I heard of a State Opposition calling for and championing the business interests of an interstate-based firm over that of its own home State. I think that that is disgusting.

Every aspect of the Government's plan was executed according to the book, with due regard paid to the rights of all parties. Indeed, careful planning and precise implementation were hallmarks of this transaction. Similarly, careful consideration was given to the various options proposed in the Treasury task force report. The first of those options was to maintain the status quo, or the do-nothing

approach. A number of other speakers have already dealt with that option and outlined the risks inherent in maintaining Suncorp and QIDC as wholly owned Government entities and the potential for Metway to be lost to a takeover by a southern institution. I am sure that members would agree that the arguments against maintaining the status quo are compelling.

A second option that the Government could have pursued was a trade sale of Suncorp and QIDC to external parties. Alternatively, the Government could have sold these entities by way of a share float to the public and to institutional investors. Either of these would have been a relatively simple option but would result in the Government, and therefore the Queensland taxpayer, losing the opportunity to capture the benefits arising from a combination of these businesses. Those benefits would accrue to the purchaser instead, which would most probably be an interstate or overseas investor which would have then wreaked havoc on the Queensland institution.

A further disadvantage of this approach would be the almost certain loss of the Queensland headquarters of one of these organisations. For example, the sale of Suncorp to a Sydney or Melbourne-based insurer would almost certainly see the major head office function of Suncorp transferred south—something that the Labor Party was barracking for, we noticed. The same would apply to QIDC if it was sold to one of the four major banks or a foreign bank. Similarly, if Suncorp sold its 44 per cent interest in the Bank of Queensland, it is almost certain that the Bank of Queensland's head office would also have been lost. It could be argued that the Bank of Queensland and QIDC are relatively small organisations and that the loss of their corporate headquarters does not have the same consequence as the loss of Suncorp's head office. Assuming we lost both Metway and Suncorp, the loss of the Bank of Queensland and QIDC would nevertheless mean that we would be left without any significant financial institution headquartered in Brisbane.

A third option available to the Government was to consolidate the Suncorp and QIDC businesses, and potentially that of the Bank of Queensland, by acquiring the remaining 56 per cent of the Bank of Queensland shares not already held by Suncorp. This is similar to the merger involving Metway but differs in one important respect; while the merged entity—involving Suncorp, QIDC and the Bank of Queensland—would be

larger than any of the individual entities, it would probably still not be large enough to compete effectively in the Queensland and Australian markets. Such an entity would be much smaller than most of the other regional banks such as Advance Bank, St George or the Bank of Melbourne, and would be unlikely to generate sufficient economies of scale needed to be competitive, even in terms of the other regionals.

The preferred option was to take this one step further and merge all of these entities with Metway. None of the other alternatives was able to provide the benefits of this option in terms of the value created for the Government, and thereby the people of Queensland as shareholders; overall financial and commercial strength; the ability to compete effectively in the Queensland and national markets; and the creation of a major corporate headquarters located in Queensland.

We have heard the shadow Treasurer talk about shares and we have heard much criticism of the share deal which secured this merger deal. I ask: where did the money come from to secure those shares? It came out of the QTC unit holding trust which was sitting stagnant after the Labor Party had spent a lot of time and effort trading on the share market with QNI shares.

**Mr Hamill:** Wrong.

**Mr WOOLMER:** It is not wrong, and the honourable member knows it. There was \$300m sitting in that trust after the Labor Party had instructed Treasury to start playing the market. The honourable member sits there like Pontius bloody Pilate, pointing the figure at the Government and saying that we should not be involved in merger deals and buying Metway shares to secure what is going to be the best financial institution that this State has ever seen, yet he knows full well that he and the Labor Party had instructed the Treasury to play the market on previous occasions.

**Mr HAMILL:** I rise to a point of order. At no time did I as a Minister, or indeed other Ministers, instruct Treasury to play the share market. I find that comment not only misleading but also offensive. I ask for it to be withdrawn. At no time did a Labor Minister or I instruct Treasury to do such things.

**Mr DEPUTY SPEAKER** (Mr Laming): The honourable member finds the remark offensive and asks that those remarks be withdrawn.

**Mr WOOLMER:** I withdraw. In addition, the merger with Metway was best placed to

further develop and extract maximum benefit from the all-finance strategy being pursued by Suncorp. It also has the potential to deliver greater benefits to Queensland business through enhanced lending capacity, particularly in the area of business and investment banking.

To revisit the issue, the money that was taken to buy the Metway shares was taken from a QTC trust holding account which had been used after share transactions. That money had been invested on the share market for a number of years, buying, selling and hedging strategies, and the money was used and was sitting there stagnant. I am quite surprised that, as a hollow log, it had not been raided to prop up the other albatross that was hanging around the Labor Party's neck, the Workers Compensation Fund, and I notice that the good Minister is in the House now. The deficit that Labor left behind was \$440m, and it is growing. When the honourable member was Minister, he could not contribute to the restructuring or saving of his own Workers Compensation Fund. The coalition Government has been able to address those issues and we will sort out the problems in the near future. When the previous Government left office, the state of the Workers Compensation Fund was an absolute disgrace.

The decision by the Bank of Queensland not to participate in the merger would not prevent the merger of the remaining entities from proceeding. Although the Bank of Queensland is the smallest of the parties, it has a strong name in the market and a loyal customer base. It would bring particular strengths to the merged group. It is the distinct preference of both Government and Metway that the Bank of Queensland participates in the merger and the offer remains open to it. It is not being coerced, forced or jackbooted. Those are the tactics of the Labor Party. Indeed, further discussions have been proposed with the board of the Bank of Queensland, but should it maintain its current position of preferring not to participate in the merger, then according to the current merger plans, Suncorp's 44 per cent holding of Bank of Queensland shares will remain as assets of the general insurance fund, even though Suncorp Insurance and Finance will become part of the merged group.

It should be noted that the rights of shareholders of the Bank of Queensland are not affected by the Government's proposal. If Opposition members understood third-party share transaction deals, they would know that one cannot force the issue when the board

itself decides not to participate. However, the shadow Treasurer is the great doyen of business economics. He has such a great track record in running successful businesses! Has he been giving advice to the half-back, the Deputy Leader of the Opposition? The deputy leader points the finger across the Chamber and says, "I have run businesses for 20 years", yet he does not quite understand how to read all the information on financial assistance grants. He points the finger at the Government and says, "What have you done about Metway? How can you handle Metway? We are going to lose Metway", but when the Government comes up with a strategy he still jumps up and down. When the Government's strategy is in place and working to perfection, all of a sudden hell is freezing over and it is the end of the world. According to the honourable member, it is the worst thing that can possibly happen. If the honourable member had his own way, events would probably have proceeded in exactly the same way.

The Bank of Queensland will have no unilateral ability to integrate or amalgamate any of the Bank of Queensland's operations with those of Suncorp, Metway and QIDC. Indeed, any proposal to integrate or amalgamate the Bank of Queensland's operations will only be able to take place if the other shareholders of the Bank of Queensland consent. I think the Opposition spokesperson understands that one; it is pretty blunt. Notwithstanding the Bank of Queensland's decision not to participate, the option of merging the remaining entities of Suncorp, QIDC and Metway still produces superior economic and financial outcomes for Queensland than any of the other options.

Other speakers have canvassed in some detail the benefits of the merger and sell-down strategy. These include creating a major new Queensland company and one of Australia's largest financial services groups, with assets of \$19 billion, and an extremely high profile and high customer base in Queensland; creating a stronger, more flexible and competitive financial institution than any of the existing entities by themselves; retaining Metway Bank as a Queensland-owned and headquartered financial institution; retaining and strengthening the Suncorp and Metway names; harnessing QIDC's specialist expertise in rural lending and business banking; delivering enhanced financial services to rural and regional Queensland; reversing the trend of service cutbacks by the major banks in rural and regional Queensland; maximising the value of the State's interests in its financial

services businesses; and removing significant contingent liabilities from the State. In the longer term, it will create more secure and rewarding jobs and vastly superior career opportunities for the staff of the merged entities—jobs that will include cross-training in insurance, general banking and specialised lending services—and it will reverse the brain drain to the south by creating more senior management positions in Queensland.

Many of these service enhancements and other benefits will be derived from the "allfinanz" strategy which Suncorp has developed to a more sophisticated level than has any other financial institution in the country. The "allfinanz" strategy will be aimed at increasing sales for a bank and related insurance company by selling the products of both through common distribution channels. It is called synergy. The logic behind the "allfinanz" strategy is to cross-sell these products and reduce the distribution costs.

This is a global trend which is already well developed in Europe and is likely to accelerate in Australia as the traditional barriers between banking on the one hand and insurance and funds management on the other break down. As this occurs, Suncorp's well-developed strategy should give the merged group a market edge over its competitors. Other major financial institutions, such as the Colonial Mutual/State Bank of New South Wales group, and the National Australia Bank, are actively pursuing these strategies. This is a trend that may be accelerated by the outcomes of the Wallis inquiry.

For consumers, the "allfinanz" strategy means that a broader range of financial services is available from a strong Queensland-based financial institution. This is especially important in rural and regional Queensland. Indeed, as mentioned by other speakers, there are 10 rural centres which currently have a QIDC branch but no representation from Suncorp or Metway. These centres will offer an expanded range of financial services in contrast to the all-too-familiar contraction of services by the major banks.

Business also will benefit from the merger. For a start, the increased capital base of the merged group will allow it to offer larger loans based on better and more diverse reserve holdings. The banking capital of the merged group is likely to be more than double that of the old Metway. The larger pool of funds is especially important for medium and larger-sized Queensland businesses, which have often complained to the Government that they

have not been well served by the major banks, which are more comfortable lending in the markets they know well, such as New South Wales and Victoria. These businesses are looking to a local bank which can serve all their needs for banking, insurance and other financial services.

Financial decisions will be made in Queensland by a local institution that understands local business conditions. This will be particularly important to Queensland, which has a much larger concentration of small and medium-sized businesses which need capital to expand. One of those medium-sized businesses would have to include Labor Holdings. When it was prepared to take the money and run, it did a deal and stole 30 pieces of silver. One cannot help wondering who sat around the table and said, "Let's jack up the price. Sell, sell, sell. We'll take our money and run." The commercial lending operations of the merged group will be strengthened by the addition of QIDC's specialist expertise in rural lending and business banking, and its understanding of the needs of small and medium-sized businesses—including, I suppose, Labor Holdings.

In summary, this initiative is one which is in the best interests of the State of Queensland and individual businesses, their customers, staff and shareholders, including the people of Queensland, as owners of Suncorp and QIDC. I call on all members of the House to support the Bill, as do I.

**Mr NUTTALL** (Sandgate) (5.03 p.m.): In my view, the amalgamation of Suncorp Insurance and Finance, the Queensland Industry Development Corporation and the Metway Bank Limited is fraught with danger and is a high-risk strategy by the current Government. Those of us who have been involved in the banking industry and who have also been involved in bank mergers can testify that that is the position.

The Government paid an over-market price of some \$4.80 for shares in the Metway Bank. A figure of \$300m has been bandied around. Although speculating, investing and gambling may be all right in certain circumstances, in this case the Government is gambling with money that belongs to the taxpayers of Queensland. The taxpayers of Queensland deserve better from the current Government. What the taxpayers of Queensland want from their Government is the provision of services.

**Mr Bredhauer** interjected.

**Mr NUTTALL:** As the shadow Minister for Education indicated, school cleaning is a good example. However, we are also talking about the areas of health, education, law and order, and transport. As was commented on by the previous speaker, if there was a surplus, those are the areas in which that money should have been spent.

**Mr Hamill:** What about infrastructure?

**Mr NUTTALL:** The shadow Treasurer is correct; that money should be spent on infrastructure for this State.

**Mr Horan** interjected.

**Mr NUTTALL:** It will not come back. That is the difficulty. I will explain why that money will not come back to the people of Queensland.

The Government has embarked on a high-risk strategy that cannot work. The bottom line is that State banks do not work. Governments should not be in the business of running banks.

**Mr Woolmer:** You would endorse our selling down?

**Mr NUTTALL:** I will come back to the honourable member's point about selling down later in my speech. That is where the whole argument of the Government is undermined.

Firstly, I wish to cover a couple of points commented on by Government members in this debate. They have said much about the new merged bank providing services in rural areas of Queensland. The question that I put to Government members today is: in rural and regional areas where the bank is not represented, will they establish a branch of this bank? That is a question that needs to be answered. Government members are telling us that this bank needs to be established so that it will provide better services for the people of Queensland. I want to know whether the Government will establish branches in country towns where there is no branch at present.

I wish to move on to discuss other areas which Government members have spoken about. As indicated in the Minister's second-reading speech and as commented on by other Government members, some 11 centres have a QIDC branch. Government members are saying, "We are going to enhance services in those QIDC branches and offer a full banking service." They have rattled off the names of towns between Atherton and Stanthorpe, but I will not go through the whole list. I say to the people who live in those towns: this Government is perpetrating a cruel hoax. As sure as night follows day, when

those branches are upgraded, as this Government says they will be—and I will address this point again later in my speech—somewhere down the track those branches will close. They will close, because this bank will not survive; it will end up being taken over. We are seeing the perpetration of a cruel hoax on the people in those rural areas.

**Dr Watson:** That's a non sequitur.

**Mr NUTTALL:** No, it is not a nonsense argument. I will explain to the honourable member why that is a valid argument shortly.

The reality is that the new bank cannot provide the services to rural Queensland that the Government is hoping it will provide and still remain competitive on an open market. Do Government members think that the major banks in this country closed their branches in rural Queensland and in regional towns because they were profitable? The reason they closed those branches is that they were unprofitable. However, Government members are now saying, "We want this new bank not only to establish new branches but also to enhance the existing branches." How will the branches be profitable if the bigger banks cannot make them profitable?

**Dr Watson:** They're already covering their costs.

**Mr NUTTALL:** No, neither the profitability nor the share price can be sustained if the Government is going to subsidise branches in rural Queensland that do not run at a profit.

**Mr Hamill:** The agreement says that, if it's not commercial, they don't have to worry about keeping those branches, anyhow.

**Mr NUTTALL:** That solves all of the problems!

As has been said by previous speakers, the reality of life is that the share price offer of \$4.80 is too high. That is not just a comment made in this debate but one made far and wide by financial newspapers throughout this country. The fact that the bank has been called the "Banana Bank" not by us but by the financial writers of this country does not augur well for the creation of a new bank. What sort of faith can shareholders have in a bank that has been nicknamed the "Banana Bank" before it even gets off the ground? Are investors going to be prepared to gamble their money on a bank that is called the "Banana Bank", or will they put their money into another financial institution such as the Commonwealth Bank, Westpac, the National Australia Bank or the ANZ, which have far better returns and far better track records?

**Mr Nunn:** They'll take the \$4.80 and run.

**Mr NUTTALL:** The member for Hervey Bay is right.

**Dr Watson:** When the Bank of New South Wales changed its name to Westpac, weren't those same comments made?

**Mr NUTTALL:** That is right, and look what happened to the shares in Westpac. They dropped to \$2.40, and the member knows it. What the member for Hervey Bay said is correct: people will take the \$4.80 cash option and go, and they will invest their money in a bank that has a better track record. That is sad, and I acknowledge that. We are not here to try to talk down the new bank. What we are trying to say is that it is wrong and that it should not go ahead in any shape or form. The realities of life are that this bank cannot compete without Government intervention and Government funding. It cannot compete on the open market.

I will come to the matter of the 15 per cent very shortly, but I make the point that the Treasurer said this in her second-reading speech—

"The coalition Government is determined not to allow Suncorp and QIDC to similarly drift. If we leave them as they are, they will become increasingly marginalised. They are facing increasing competitive pressure in their home markets. They desperately need capital to expand and diversify and to acquire the technology to remain competitive."

However, I believe that even the new merged bank will not be large enough to compete with the larger financial institutions in this country. It is not large enough to survive; it is not large enough to be able to withstand the future raids on its shares that will occur. As this bank continues and as the share price falls, then we will find the bigger sharks or the bigger banks coming in and buying up shares and acquiring percentages of the bank. It cannot survive in that economic climate, and that is the reality of life.

The Government has said that it intends over the next five years to reduce its shareholding to 15 per cent. The logic that follows is this: if the Government reduces its shareholding to 15 per cent, somewhere along the line there will be a major shareholder. The major shareholder will end up being one of the large financial institutions in this country. Does the Government think for one minute that that institution will retain the headquarters of the bank in the State of Queensland? The answer is: no. So the argument that is being put

forward by the Government that part of the reason we are putting together this merger is so that we have a large financial institution with its headquarters based in Queensland is a short-term argument, because at the end of the day when the Government down sells to 15 per cent, the major shareholder is going to pick up the headquarters and move it down south. That is the reality. It will happen. There is no point in the member for Moggill shaking his head, because the member knows that at the end of the day—

**Dr Watson:** The 15 per cent shareholding means no-one can get above it.

**Mr NUTTALL:**—that is the reality and that is what will happen. The member cannot sit there and say, "We will have 15 per cent. No-one is allowed above it." The pressures of the market will not allow that to happen, and the member knows it better than probably anybody else in this Chamber. That is a fact of life. The realities of life are that, if this bank is going to survive, the Government will have to use taxpayers' money.

The other problem that the Government faces in terms of the new bank is: what will happen when the Wallis report is brought down? None of us knows the answer to that question at this stage. That is an unknown quantity. So it is a risky strategy to be going down the path of bringing this bank together. The Wallis report may well open up the whole financial institutions market. It may well allow foreign banks, which presently have a limited role in this country, to buy up banks in Australia. At this stage, we just do not know what the recommendations of the Wallis report will be.

People should recall that at one stage several years ago there was some talk between some insurance companies and banks about merging and amalgamating, and that was stopped by Keating when he was the Federal Treasurer. What I am saying is that the Wallis report may well provide for open slather. If we have open slather, the financial institution proposed under this legislation will not be in a better position. It will become a target for a takeover. That is the problem with the strategy on which the Government is presently embarking. It is a strategy that cannot work.

I want to touch on the issue of the Bank of Queensland. Much has been said about the Bank of Queensland during this debate. When this whole proposal was initially brought forward by the Government, the Bank of Queensland was included in the umbrella. The Bank of Queensland has stepped out of that

at this point in time. But the major shareholder in the Bank of Queensland is Suncorp. As the shadow Treasurer has said, somewhere down the line the Bank of Queensland, whether it likes it or not, will be dragged in. Market forces will end up dragging the Bank of Queensland into this merged bank. That is the sad irony of what the Government is doing with this legislation.

**Mr Hamill:** They can support the amendment.

**Mr NUTTALL:** They can. That is the option: for Government members not to put their heads in the sand but to support the amendment foreshadowed by the shadow Treasurer.

As I said, the major shareholder of the Bank of Queensland is Suncorp, so it follows that the major shareholder in the Bank of Queensland is the new merged bank. Do members think that the major shareholder is going to allow a large shareholding such as the Bank of Queensland to sit there on the side? No way in the wide world! That will not happen, and the Bank of Queensland as we know it will not survive.

I want to touch on the issue of staff. The member for Springwood claimed that workers in Suncorp are very comfortable and very relaxed about the merger. As a person who worked in the finance industry and who has been involved in bank amalgamations and bank mergers, I can assure the House that no staff member is ever comfortable with such a proposal. It is impossible for any new merged bank to say that every staff member in all the institutions that are involved in the merger will retain their jobs, because that will not happen. Staff will be retrenched. Staff will lose their jobs, and that will not occur only in Brisbane; it will occur throughout Queensland. It will occur in provincial cities, in regional cities and in country towns. Those people will lose their jobs as a result of this merger.

If the Government wants to allow this bank to remain commercially viable, it has to let it make its own decisions. It is a fact of life that, under this merger, the first decision this bank will make will be to cut staff. In any organisation, whether it be a bank, financial institution or industrial organisation, once amalgamations occur, staff are retrenched. The people who work in those institutions will lose their jobs. That is a sad thing, and I do not enjoy standing up here saying it. However, that is a fact of life that must be faced.

I also wish to discuss the cost of this merger. The Government cannot bring together this new instrumentality without

paying a high cost for new technology. New equipment will be needed. Some of the equipment currently held will be made obsolete. It is a reality that this new financial institution will be forced to spend many millions of dollars in upgrading its facilities and services so that it can compete with the bigger institutions in Australia. That will be a drain on the funds of this new financial institution. This will not come cheaply. It is simply folly for Government members to stand in this place and say that everything in the garden will be rosy. The reality is that, at the end of the day, those costs are borne by the shareholders. Again, that is part of the reason that the share cost will be driven down.

The last matter I wish to raise is the behaviour of the Government during the Suncorp/Metway/QIDC amalgamation. I have received calls from shareholding constituents who were very concerned that they had been phoned, that they had received several letters and that they were being harassed by the Government into accepting the offer that was being put forward. These people have a right to not be harassed, they have a right to not have the Government use taxpayers' money to ring them up, to send them letters and to use market researchers to say to them, "We want you to sell your shares in Metway. We want you to sell your shares because we are going to provide a better financial institution." The shareholders should be able to make their own decisions based on the facts. They should not be harassed over the phone, nor should they be badgered by receiving several letters in the mail saying, "You should sell your shares." That sort of practice should not be condoned by this Government.

This is a bad decision. At the end of the day, the State of Queensland will be poorer for it and the people of Queensland are the people who will suffer.

**Mr CARROLL (Mansfield) (5.23 p.m.):** In this debate, we should not lose sight of the fact that the Suncorp/Metway/QIDC merger is a means to an end and not an end in itself. The objectives of the merger have been canvassed in some detail on a number of occasions, and I do not intend to explore them all. I intend to focus on some of the positive financial outcomes for the Government, in particular the freeing up of funds for investment in all of those essential services commonly called infrastructure for the State.

As a number of speakers have already mentioned, Suncorp and QIDC are well managed and profitable businesses and, over time, have been a valuable revenue source for

the Government. However, the continuing competitiveness and profitability of these businesses will be constrained by a number of factors, including: increasing competition in home lending from new entrants such as mortgage securitisers and insurance funds; increasing competition in insurance and all areas of lending as major banks and insurance companies target the growing Queensland market; limited size and therefore limited ability to extract economies of scale; and insufficient capital to fund investment in upgrading information technology and market expansion interstate.

As a result of these factors and other competitive pressures, the profitability of Suncorp and QIDC could have declined in the longer term. From time to time, there will be some one-off factors that may cause an abnormally high or low profit result for a particular year. However, the long-term outlook is for a general trend of lower profitability which will mean declining dividend and tax equivalent payments to the State. A further consequence is that these businesses will become a drain on the Consolidated Fund. Significant capital injections will be required for these entities and these calls on the Consolidated Fund will compete with other Budget priorities. At this point, it is worth repeating that the merger initiative will be achieved without impacting on the Budget or service provisions normally the subject of the Budget.

There has been some criticism, mainly from the Opposition, that the Government funds will be needed for the buy-back of shares from Metway shareholders who wish to take up the cash offer. The cash offer was made in order to provide Metway shareholders with a choice to either keep their shares and remain shareholders in the merged entity or to take cash for their shares. The Government is hopeful that Metway shareholders will keep their shares and take the opportunity to share in the potential of the new merged enterprise. That would be an encouraging demonstration of some kind of loyalty to Queensland business. It is the sort of long-term commitment by Queenslanders and the successful cultivation of local commerce that was so successful in earlier years in this State, or more recently in places like Singapore or Taipei, from which we can learn.

Even if some of the Metway shareholders do take up the cash offer, this will be funded by the issue of exchanging preferred units—EPU—by a listed unit trust to be established by the Government. The EPU issue will be fully underwritten by a consortium

of Brisbane-based brokers. Effectively, the EPU issue allows private investors to fund the buy-back of shares from Metway shareholders. Further, the EPU issue also represents the first instalment in the Government's sell-down program as the EPU holders are effectively taking up a deferred right to acquire shares in the merged entity at a future time. This is to be carefully distinguished from the talk-down campaign by members opposite, especially the caustic, exaggerated remarks of the member for Ipswich earlier this afternoon. I guess it is just another manifestation of their bitterness at being in Opposition. It is interesting that Queenslanders can see that such whingeing and critical pessimism is not really becoming of the alternative Government that they pretend to be.

**Mr Woolmer:** Especially the member for Everton.

**Mr CARROLL:** Especially the member for Everton. Similarly, the EPU issue will also be used to replace funding used by the Government to acquire the 10 per cent interest in Metway. Those Metway shares purchased so far were held by institutions that have indicated a preference to sell and the purchase has simply brought forward from November the buy-back of these shares.

A key objective of the merger of Suncorp/Metway/QIDC is to create a stronger, more competitive and more profitable entity than any one of them on a stand-alone basis and also bigger than the sum of all three. This should enhance the value of these assets, benefiting the State and Metway shareholders. This benefit will be realised as the Government sells down its shareholding through a public float. Apart from giving Queenslanders the opportunity to take a direct stake in the new merged group, the float will achieve the related objectives of reducing the contingent liability of the Government, which is estimated to be around \$12 billion at present and likely to grow, and providing a boost to State coffers. Sufficient of the float's proceeds will be reinvested to replace the forgone dividend and tax equivalent payments to the State. Surpluses beyond this amount will be invested in much-needed capital infrastructure for the State.

This is a superior economic and financial outcome to the status quo. It is also a fiscally prudent outcome in that the pre-float cash flows to the Government are replaced by reinvesting sufficient of the proceeds to produce an income stream equivalent to the dividends and tax equivalent payments forgone. It also allows access to funds that

would otherwise be locked up in the Suncorp and QIDC businesses. Provided the pre-float cash flows can be replaced, it is difficult to mount an argument that Government funds should be tied up in these businesses rather than applied to expanding essential services for Queensland.

**Mr Welford** interjected.

**Mr CARROLL:** I thank the honourable member. This is consistent with the findings of the Commission of Audit headed by Dr Vince FitzGerald. In particular, the commission found that there is a significant source of underperforming or lower priority capital on the State's balance sheet which is tied up in business enterprises. According to the commission, these should be sold to free up capital for more productive and higher priority purposes.

While the Government will be retaining an ownership interest of no more than 15 per cent in the merged entity, the float of the major part of its shareholding will allow the Government to significantly reduce what would otherwise be a heavy involvement in the ownership of financial institutions in the State. Just as importantly, it will also release funds for reinvestment in essential services. Even though the Bank of Queensland board has decided not to participate in the merger and Suncorp has recently revised downwards its earnings forecasts, it is still estimated that up to \$1 billion could be available for investment in new infrastructure over the five-year period of the sell down. This is the amount available after replacing dividends and tax equivalent payments to the Budget.

The previous Labor Government certainly talked a lot about infrastructure investment and how important it was to the State. But that is all it did. Every year it would announce record capital works programs in the State Budget. Members would remember the Health budget promises. But there was little tangible evidence of significant additions to the stock of capital infrastructure, particularly in regional Queensland.

Even the much-touted Queensland Infrastructure Financing Fund appears to have been more smoke and mirrors than substance. The billions of dollars worth of projects that it was supposedly going to fund have been hard to find. The general principle of QIFF was not objectionable; it is just that the Labor Government failed to ever do anything with the funds accumulated in QIFF.

**Mr Welford:** That's because we got kicked out, you donkey.

**Mr CARROLL:** And a great ending it was, too.

It is worth noting that this Government's strategy of funding infrastructure with part of the proceeds of the float of its shareholding in the merged entity is not dissimilar in principle to the approach adopted by the Labor Government. Labor sold mature investments such as the State gas pipeline and its shareholding in Queensland Nickel with the intention of applying these funds to infrastructure provision. Other funding was sourced from the recapitalisation of Q-Fleet, essentially another financial services business owned by Government. Suncorp and QIDC are similarly mature investments. In this case the Government is reducing its shareholding as opposed to selling out completely and applying part of the proceeds to infrastructure provision. Given the similarity of approach, one might expect that, to be consistent, the Opposition would support the merger strategy and subsequent sell down.

But returning to the issue of the Labor Government's record on infrastructure—members would recall that Labor also produced an impressive policy on private sector participation in the provision of public infrastructure. But again it appears to have been another one of those policies that does not seem to have achieved much. It was not put into practice. Labor was adept at producing statistics that gave the appearance that infrastructure spending was taking place, but it would seem that there was little correlation with the tangible evidence of construction. The reality is that Queensland's asset network has been badly run down under Labor to the detriment of the economic and social development of the State.

Clearly, funding for infrastructure is a priority issue given the fiscal constraints facing all Governments. One of the findings of the Commission of Audit is an in-built trend in Budget deterioration. The key reason for this trend is that future growth in demand for Government services is likely broadly to keep pace with growth in the State's economy. On the other hand, growth in the State's revenue from the presently available sources is not likely to keep pace with the State's growth. This means that, to provide necessary infrastructure, the Government will need to look to innovative funding techniques as well as the encouragement of greater private sector participation not only in the construction but also in the ownership and operation of public infrastructure. In this context, the proposed merger of Suncorp, QIDC and Metway and the subsequent sell down of the

Government's interest will free up funds for that infrastructure. Such an outcome cannot be achieved by maintaining the status quo. In fact, that status quo is likely to result in less funding being available for infrastructure as calls are made on the Budget to fund the capital requirements of those businesses, as I said earlier. As a number of other speakers have already articulated, there is a range of benefits resulting from the creation of this major new Queensland headquartered financial institution, and it is clear that this initiative of this Government will produce far superior economic and financial outcomes for the State as compared with maintaining that status quo.

Queensland entrepreneurs have been greatly encouraged by this action of our National/Liberal coalition Government. It is real proof of our faith in Queensland businesses, our readiness to protect and boost Queensland interests and our willingness to revive the confidence of our people that Brisbane should continue to be a really viable east coast centre for major commerce. I urge honourable members to support the Bill unamended.

**Mr WELFORD** (Everton) (5.35 p.m.): It is my pleasure to speak in this debate and to correct some of the misunderstandings that are clearly being expressed by Government members. It really is a tragedy that some members who ought to know something about this subject rise in this House and do not make their own speeches. However, when every one of them rises and does not make his or her own speech but makes a prepared speech from some Treasury boffin, it really is a depressing situation. I do not know what sort of Government we have. It seems to be on autopilot. We have boffins in Treasury throwing around bits of paper and Government backbenchers running up and down George Street catching them as they fly out the window and saying, "This is my speech for this week." In they roll. The poor old fellow from Mansfield barely managed to keep himself awake, let alone the rest of us, by reciting extraordinary prose from the bureaucracy of Treasury.

Let us get a few things sorted out. I simply ask that the Government do nothing more in this debate—and when I say "this debate" I do not mean only the debate in Parliament but the debate in the public arena—than be honest about its intentions. It should cut out all the nonsense about a bigger bank, a home base, a head office in Queensland and all that claptrap. The Government should not try to give some sort

of ex post facto justification for what is fundamentally an ideological position. The simple fact is that the Government wants to flog it off. So why does it not go out there and tell the truth? It should say, "We, the National and Liberal Party coalition, want to flog off a State asset."

**Mr Hamill:** Two.

**Mr WELFORD:** Two of them. If the Government has reasons for selling them off, it should not carry on with this nonsense about how it will be a better bank—better services, greater range and job protection—when it knows that that is not true on the jobs front. It knows that the number of jobs in those organisations operating separately cannot be sustained under an amalgamated entity. The Government should not waste time by trying to convey that sort of nonsense. It should be up front. If it wants to spend the money on infrastructure, it should say so, but it should tell us what it is going to spend it on and how that infrastructure is going to generate an income stream of the scale that we currently get from Suncorp and the QIDC. It cannot.

The decision that this Government is making is not a decision that comes from rational financial or economic analysis; it is a decision that comes out of ideology. The coalition parties have a predisposition for disposing of State assets, and they have been given the pretext for doing it by an irrational Treasury bureaucracy which is also predisposed to disposing of State assets. That has been reinforced in the Government's thinking by the Commission of Audit and Mr FitzGerald, who somehow suggested that by selling off all the Government's assets it will suddenly be able to bring its Budget into a better position. The extraordinary irony of this is that the criticism that I believe can justifiably be made of that argument, namely, that a Government sells off its assets to strengthen its future Budget position, is the same criticism as the coalition parties in Canberra were making about Keating and Hawke in the eighties, when they were disposing of assets and using the proceeds as part of the bottom line Budget calculation. Frankly, I agree with that argument. I agree that they should not be incorporated in that way.

The Government should forget about the side issues. As to this nonsense about creating a big bank—whacko! What is the Government doing? It is creating just another big bank. We have the National Australia Bank, Westpac and the ANZ. We have a bucketload of international banks that are now trading here. Can the Government tell me in

one sentence what single extra service the creation of just another big bank is going to provide for ordinary consumers—the ordinary folk, the little battlers who want to deposit their funds at minimal expense in banks in Queensland? Can it tell me that? When the Government flogs off this entity and obtains the grand billion dollars that it says it will generate as the proceeds, how will it achieve that?

**Mr Hamill:** It's coming down all the time.

**Mr WELFORD:** It is plummeting. It is going down like the proverbial lead balloon. As previous members have said, the Government has paid an extraordinary price. The approach it has taken to liquidating Suncorp and QIDC as assets has been absolutely reckless. If the Government wants to liquidate those assets, it should do so. Why go through the extraordinary financial gymnastics of playing the share market and competing with a State bank from somewhere else simply to achieve the liquidation of a State asset, which is its ultimate goal? There is no sensible reason for doing that. The Government knows that the risk that it has taken has been heightened by pursuing that course.

As a result of the extraordinary Dutch auction that the Government's advisers ran right to the close of the meeting that was held with the shareholders of Metway, the very real risk exists that the Government will never recover that share price. Already enough financial analysts have looked at the issue to satisfy any ordinary investor that neither the price to earnings ratio of Metway nor its asset backing can justify a share price of \$4.80. So it is all downhill from here for the Government, because that is the reality that it must face. As I have said in this place previously, I hope I am wrong. I hope that the Government can recover in the vicinity of \$4.80 a share, because it will be to the detriment of Queenslanders if it does not. The Government has taken the gamble. The risk is on its head and we will see what happens. The risk has been extraordinarily high and, if the Government pulls it off, it will be more by good luck than good design.

As to the Government protecting jobs—let us dispense with that nonsense straightaway. The Government cannot protect jobs by legislation and it has not pretended that it can. At least it has acknowledged that it is a nonsense to suggest that it might protect jobs in the same way that it is pretending that it will protect the location of the head office of the new bank. Job numbers will decline. There is nothing in the unique earning capacity of the

new bank that would give one any confidence whatsoever that new jobs will be generated in the medium or long term.

The bank that the Government is creating, far from having any of the unique features of Suncorp and QIDC, will be just another big bank charging big fees and pursuing big investors from somewhere else. Whether it is based in Brisbane or Boston will not make the slightest difference. Queenslanders will not benefit one iota from the alleged increase in diversity of services that the big bank is supposed to represent.

I have a completely different concept of banking. My concept of banking is local banking, that is, the opportunity for local productive enterprises and local residents to invest in an entity that reinvests in the local community. One organisation that has been doing that for many years is Suncorp. That local bank receives the local savings of Queenslanders and provides those savings on investment in Queensland. In the future, that is where the real value of banking will lie—not in just another big bank but in niche banks. Has the Government stopped for one moment to wonder why the Bank of Queensland is not buying into this nonsense? The very simple and obvious reason is that it does not buy the rubbish that, by creating another big bank, the entity will be more competitive. What is competitive in the banking market is catering for niche markets, providing a service that is unique to local communities. In the future, effective, efficient and competitive banks will be those that focus on local communities, local savings and reinvesting in local productive enterprise. Suncorp, as a Queensland State bank, reinvested in Queensland enterprise by way of lending and also generated \$100m per year in resources that the Governments in this State could invest in community infrastructure and services. That is all to be sacrificed at the alter of an extreme and obsessive ideological bent that states that, if State assets are sold off, the world will become clearer for infrastructure investment.

The reality is that nothing will become clearer. The head office in Queensland of the new combined bank will not make a zot of difference. The Government knows that its days as a head office in this State are numbered the moment its shares are sold down and it becomes a private bank, because it can be bought out, merged or traded in a way that will see that bank in common with many others slide into head office management in some other State. The Government cannot guarantee jobs and it

cannot guarantee that the head office will remain here. More importantly, it cannot guarantee that any services this new bank will be provide or deliver will be any better than the combination of services that are now available through Suncorp and QIDC.

I bank with Suncorp Building Society and I do so for a very good reason: for ordinary consumers it has provided the opportunity for charge-free accounts. It provides a cheque account linked to one's savings account, which does not have charges. No other big bank in Australia provides that competitive edge to ordinary consumers. Now the Government is selling it down. When it becomes just another part of Metway, out will roll the same myriad charges on savings accounts and accounts of small investors, pensioners and ordinary folk who have had the protection of banking with Suncorp. But not any more! It will no longer offer a charge-free service because it knows that it will be just another big bank. Why should it bother providing a competitive service? Why should it bother to try to compete in a niche market and to provide better service when it knows that its fate is sealed—that it is to be rolled into just one more big bank.

Members opposite are not prepared to be truthful. They have trotted out all those lame excuses, those pathetic justifications, because they are not prepared to be up-front and honest about their intentions. They should tell us what they really want. They should just rise and say, "We want to sell off Suncorp." Why go round and round the mulberry bush pretending to have highly idealistic reasons of wanting to deliver services, give new opportunities and keep a head office of something somewhere? The Government might as well have a head office of a doll-making factory in Queensland as have the head office of this big bank, because it will not do the Government any favours. There might be a few high-fliers on the opposite side of the Chamber—they all think they are pretty swish entrepreneurs, but members opposite should put their hands up now if any of them has ever been done a favour by a big bank. When was the last time one of the big banks did anyone a favour?

**Mr Horan:** I got a housing loan when I got married.

**Mr WELFORD:** They gave the member a housing loan. They are taking more of a risk than his Government is taking. It is just as well that they are borrowing offshore and running up our foreign debt in order to lend to the honourable member because the prospect of

their being repaid is pretty slim indeed. The simple fact of the matter—

**Mr Horan** interjected.

**Mr WELFORD:** The companies probably would not sell Mr Horan any insurance either because of the way in which he runs the health service. He would not have much of a life expectancy worth investing in.

I have reached agreement with the Government: it wants to sell it off. We know the bottom line; they want to sell it off. What are we going to do with the proceeds? All the Government speakers stood up with their prepared speeches, with their recited prose from the Treasury boffins, and said, "Infrastructure, infrastructure." Everywhere one looked, infrastructure was sprouting leaves like a marijuana plant in north Queensland. By the monotonous regularity with which they recited it, one would reckon that they were all on marijuana. They have all been smoking pot for a decade. Dopes on dope; that is what they are.

We are yet to see the infrastructure that the Government members were talking about. However, one thing is for sure: I will be looking forward to seeing—

**Mr Horan:** A bit of export income. Make the State go ahead.

**Mr WELFORD:** I suppose there is going to be great export income coming out of the Tully/Millstream dam, great export income coming out of an irrigation scheme that the Government will subsidise on Cooper Creek, or great export income coming out of the declining hospital system over which the Minister is presiding!

When they reinvest the so-called proceeds of the sale, I look forward to the day that this pathetic mob opposite ever actually achieve an income flow of the scale that is currently received from Suncorp.

**Mr Hamill:** A billion dollars.

**Mr WELFORD:** Yes, I said that before. That is a magnificent figure that they draw like a rabbit out of a hat. There is not going to be \$1 billion, and even if there is, and even if the Government spends it on infrastructure, it will be interesting to see just what infrastructure is going to generate the same income.

**Mr Hamill:** There's always the Sunshine Motorway.

**Mr WELFORD:** Indeed, there is the Sunshine Motorway. Right now, that is a magnificent income generator! This morning I was amused to hear the magnificent financial analysis distributed from Queensland's most

illustrious Treasurer for a generation. She told us that we are not running up interest now that we are not paying off any debt. That is what she said this morning. During those years we were generating an income from the tollway we were paying all of this interest. Of course, now that it is not generating any income, no interest is being accumulated on the debt. Suddenly the interest and the debt has disappeared. That is the most magnificent bit of magic that I have ever heard of. I am sure that, if the Treasurer understood any single element of it, it would be a miracle.

Let me finish on this note: the simple reality is that if the idea of selling off Suncorp is that suddenly the Government is going to have funding for infrastructure, then it had better be damned good infrastructure that replaces what it has admitted already are profitable enterprises. If those enterprises that we own currently are so profitable and so capable of generating income, how is the Government going to suddenly transform the declining price recovered on them when it sells them into an asset that is going to generate even more income? It is just a ludicrous proposition.

The Government is going to use some of the proceeds to try to balance the pathetic Budgets that it is going to deliver in the next couple of years because it is going to try to keep its enormous unfunded election promises. Any infrastructure that the Government is going to spend money on is not going to go even close to refunding the income that it is losing as a result of this decision.

Time expired.

**Mr SCHWARTEN** (Rockhampton) (5.55 p.m.): It is with a great deal of delight that I enter this debate. In doing so, it is important for this place to recognise the historical significance of what members opposite are doing today. I note that earlier the member for Moggill made reference to how we ended up with Suncorp. He got a couple of dates wrong, but what he said was fundamentally correct. It would be of a fair bit of interest to students of political history to know how we ended up with the SGIO, which effectively became Suncorp. Back in 1916, the Ryan Government—that reformist Labor Government—saw the need to replace what was then known as the Employers' Liability Act, which was the common law claim that workers' spouses and dependants had to some sort of financial recourse. Of course, it was a disaster. It is interesting to note that we are having a debate about going away from

statutory benefits to common law, whereas in that case that Government was going away from common law into statutory benefits.

Incidentally, at that time the Upper House, which was made up of the landed gentry and representatives of the employers, rejected the legislation of the day. It sent it back to this place with amendments. However, the Upper House missed one amendment, which was pursued by the insurance companies. They wanted a three-year grace on that Bill. In other words, they wanted to stay in the market for three years. However, they mucked up the amendment, the Bill went through this place, and it was assented to before the Upper House knew about it. So it is an historical quirk and a fact of life.

In 1916, the Workers Compensation Bill was proclaimed. In 1917, accident insurance was included in the State Government Insurance Office; in 1918, life insurance was taken on; and in 1919, marine insurance was taken on. Bernays, who was a former Clerk of this Parliament, sets out in his book *Queensland Politics During Sixty (1859-1919) Years* what a success that was. In fact, in its first 15 years of operation, the fund produced something like £430,000 profit. At that time, it was able to undercut anybody else in the market. Of course, that led to the point made by the member for Moggill, which is that because it does not perform in that market expectation anymore—in other words, it does not provide cheaper insurance—then we should get rid of it. In fact, in 1978 the previous Government did just that by taking away SGIO's responsibility for workers' compensation and forming the Workers Compensation Board. I wonder how it would have finished up if we had retained workers' compensation in the way suggested by Ryan. I guess we will never know. The member for Moggill suggested that the reason for dispensing with this particular service to the State was that it actually was not a service; it was just like any other corporation.

Debate, on motion of Mr Schwarten, adjourned.

## CRIMINAL JUSTICE COMMISSION REVIEW

**Mr BEATTIE** (Brisbane Central—Leader of the Opposition) (6 p.m.): I move—

"That this Parliament deplores the way in which this Government is turning back the clock to the corrupt regimes of the past and is also running an orchestrated campaign against the

Criminal Justice Commission and senior police as evidenced by

- (1) the constant attacks on the CJC, which have culminated in holding a gun to the head of the CJC by ordering a judicial review of its operations;
- (2) ordering that all senior positions in the Police Service should be advertised when contracts end whether or not officers have performed well; and
- (3) the signing of the memorandum of understanding with the Police Union.

Accordingly, this Parliament directs the Government to refer its review of the Criminal Justice Commission to the Parliamentary Criminal Justice Committee as intended by the Fitzgerald report and the Criminal Justice Act."

In just six months, the National Party Premier and his National Party Police Minister have turned back the clock almost seven years. It is as though the last almost seven years of reforms had never happened. Queensland has been taken back to the days when National Party Premiers ignored the proper procedures of government; to the sort of regime which enabled, according to Fitzgerald, corruption to flourish; to the days when Ministers interfered in police appointments and promotions; and to the sort of regime which resulted in the Fitzgerald report and its recommendations. It was the corruption that created a stench across this State which Fitzgerald identified and which was finally removed under the Goss Government.

For over six years the Labor Government properly funded the CJC and ensured that it did not interfere with the running of the CJC. This National Party Premier has buried the Fitzgerald report's blueprint for corruption-free Government in his attempt to destabilise and discredit the Criminal Justice Commission. His behaviour is leading to the return of corruption in this State.

The decision to interfere with the independence of the CJC is as crucial to the future of Queensland as the attempt by disgraced Premier Sir Joh Bjelke-Petersen to halt the Fitzgerald inquiry in 1987 because he knew that his regime was under threat. That attempt was thankfully thwarted. This latest attempt to bring down the successor of the Fitzgerald inquiry, the Criminal Justice Commission, must also be thwarted. Having failed to emasculate the CJC through a secret

deal with the Police Union, the Premier is setting up his own kangaroo court to chop off chunks of the CJC.

The Premier is also determined to find someone guilty of something—anything—in the allegations being bandied around involving Ken Davies. I wait for a full investigation of the allegations involving Mike Horan and the State Health Tripartite Forum. The Government cannot have it both ways. If the Government wants the Davies matter reopened, then let us look at what Mike Horan did with the State Health Tripartite Forum and let us have a re-run of the Joh jury matter.

As a former apprentice of disgraced Premier Bjelke-Petersen, the Premier knows how Joh worked. Joh would tell anyone who would listen, "Never hold an inquiry unless you know the answer in advance." The Premier has turned the clock back nine years with this decision to investigate the CJC. He knows his regime is under threat from the Carruthers inquiry, just as Joh knew his regime was under threat from the Fitzgerald inquiry. The gun is not just pointed at the head of the CJC, it is cocked and the finger is on the trigger.

Fitzgerald warned that—

"Criminal justice law reform should be removed as far as possible from sectional political interests."

He also stated—

"The administration of criminal justice should be independent of Executive controls. It is an apolitical, vital public function. However, it should be open to public review and accountable to Parliament."

The Attorney-General and the Premier have thrown the Fitzgerald report and its recommendations out the door in their attempt to save the Police Minister's hide. This Government is holding a gun to the head of the CJC because Kenneth Carruthers, QC, was appointed by the CJC to investigate what was behind the signing by Mr Borbidge and Mr Cooper of the secret deal with the Police Union and is now about to bring down a report which could recommend charges being brought against them. Because the actions of the independent CJC mean that the political future of the Premier is at stake, the actions of the independent CJC mean that the political future of the Police Minister is also at stake.

Let us look at what a person independent of all these matters has to say about the behaviour of the Attorney-General in this matter. For the information of the House I table a letter from Robertson O'Gorman,

solicitors, dated 3 September 1996, in which Terry O'Gorman states—

"The lawyer acting on behalf of former ALP figures involved in the Ken Davies Mundingburra By-Election matter today accused Attorney-General Denver Beanland of gross hypocrisy in threatening to launch a re-investigation of the matter.

Brisbane lawyer (Terry O'Gorman) said that comments by Mr Beanland today that he found it 'quite incredible' how quickly the CJC had completed the investigation of the Davies complaint conveniently skims over Mr Beanland's demand in January this year that the investigation be conducted urgently.

In Mr Beanland's letter of complaint to the Criminal Justice Commission of 15 January 1996 in relation to the Davies allegations, Mr Beanland stated:

'In view of the grave seriousness of these allegations, I ask that they be most urgently investigated, and resolved, prior to the By-Election being held on 3 February 1996.'

Based on Mr Beanland's demand that the investigation be resolved prior to the Mundingburra By-Election, the Criminal Justice Commission threw a large amount of resources at the investigation so that it could comply with the Beanland imposed deadline.

'I had to cut short a two week annual holiday in order to comply with the ALP's instructions to me to open every file for the CJC to inspect', Mr O'Gorman said."

I table that letter for the information of the House. It exposes the fraudulent behaviour by the State Government in relation to this matter.

Twenty years ago the National Party Premier and his National Party Police Minister conspired to isolate an honest and independent Police Commissioner, Mr Whitrod, so that he was forced to resign. In 1996, the National Party Premier and his National Party Police Minister are again conspiring to isolate an honest and independent Police Commissioner in the hope that his position will become untenable. Let us look at what they did.

Sir Max Bingham was recruited by Mr Cooper to review the Police Service, a job which should have been done by the CJC under the Criminal Justice Commission Act. In Cabinet, the Premier and the Police Minister pushed through a submission putting the jobs

of all senior police under the commissioner at risk. No matter how well or hard an officer works, the job will be advertised at the end of his or her contract. The officer can be kicked out if he or she does not fit in with the plans of the Premier and the Police Minister. That is the most destabilising action any Government could take in relation to the Police Service.

The excuse is that Cabinet is acting on a recommendation of the Bingham review. It is crucial to understand that this decision does not mirror the general wording of recommendation 45. The decision enables Mr Cooper and Mr Borbidge to get rid of assistant commissioners who are on the Police Union's hit list. It enables them to complete the memorandum of understanding. Let us not ignore the reality of the facts.

Further proof of the plan to undermine and isolate the commissioner has come in an instruction from the Police Minister to the Police Commissioner to hand over to the Police Minister the personal files, records and performance appraisals of the deputy commissioner and all the assistant commissioners. Why does the Minister want their personal files? To interfere in appointments! Why would the Police Minister and Premier want these documents if it is not to interfere in the appointment and promotion of officers they consider to be cronies or mates, and to surround O'Sullivan in the same way in which Whitrod was surrounded?

The Chair of the Criminal Justice Commission, Mr Clair, has said that there is a deliberate program of misinformation designed to publicly discredit or devalue the inquiry and Mr Carruthers has referred to a serious example of such misinformation. Let there be no doubt in members' minds—this is about putting a gun to the head of the Carruthers inquiry because of the recommendations it is likely to make in relation to Mr Borbidge and Mr Cooper, whose behaviour is the subject of the inquiry.

Counsel assisting Mr Carruthers has referred to an "insulting and inappropriate" comment from a spokesman for the Government. The National Party chair of the CJC watchdog committee, Vince Lester, is forcing through an inquiry into the way in which the CJC obtained damning evidence against Matthew Heery. Where does this Government stop? Where do National Party members stop? There is no limit to their disrespect for the separation of powers or appropriate and proper behaviour. That is why I said this morning that corruption is inherited; it is in the genes. The National Party cannot help itself.

Mr Cooper appointed former Liberal Minister, Sir Max Bingham, to have a look at—

**Mr FitzGerald** interjected.

**Mr BEATTIE:** The honourable member knows. He was a Minister serving in that corrupt Government. He ought to know.

Let me make this very clear—it is crucial to understand that a Government intent on remaining impartial and letting justice take its course would at least wait until the delivery of the Carruthers report before making comments. It would certainly not take actions such as these.

For the information of the House, I table previous comments by the Premier in which he attacked the CJC. In fact, I refer to a report of 17 October 1994, which states—

"Opposition Leader Rob Borbidge said yesterday the decision was just another example of the CJC 'making itself a secret society accountable to no one'. 'It is a fair bet that if any other unit of public administration was so vague about how it spent public money, they'd find themselves under investigation by the CJC.'"

There is a long track record of this Government attacking the CJC.

This review should have been carried out by the Parliamentary Criminal Justice Committee. The fact that the Government has made this decision to set up its own judicial review ignores this Parliament and treats that parliamentary committee with contempt. I do not hear the chairman or any member of the parliamentary committee standing up for that committee.

Time expired.

**Mr BARTON** (Waterford) (6.09 p.m.): I second the motion. Most importantly, the motion defends the rights of this Parliament. The Parliamentary Criminal Justice Committee is responsible to this Parliament, and is elected by and from it, to oversee and monitor the work of the Criminal Justice Commission. In turn, the Criminal Justice Commission monitors and oversees the police reform process under the Fitzgerald process. The CJC oversees the work of the Police Service and it addresses police misconduct in corruption issues. That process is under direct threat by this Government through action it has taken to date and through action it has already announced its intentions on, even though it has not made the formal decisions. It is what can only be described as an orchestrated

campaign which will turn back the clock on police and justice reform in this State.

The Bingham inquiry, initially proposed by this Government and in particular Police Minister Russell Cooper, was intended to try to head off the Carruthers inquiry. Of course it did not do so, because the CJC put that independent inquiry into place. The Bingham inquiry report is being grossly misused by this Government. It is being used in an attempt to usurp the role of the Criminal Justice Commission and the role of the Police Commissioner—roles provided for under the Criminal Justice Act and the Police Service Administration Act.

This report is also being used in an attempt to bypass the role of the Parliamentary Criminal Justice Committee and, therefore, this Parliament's capacity to be directly involved in and informed via the Parliamentary Criminal Justice Committee of the CJC's actions. The Bingham implementation committee will be the Clayton's CJC. However, it will not be answerable to this Parliament; it will be answerable to the Minister, who is already sweating because he is under a large, black cloud.

This Government is running scared of the Carruthers inquiry, and it has every reason to be scared. However, its response is not a responsible one. Its response is to destroy the whole process. The review of the CJC is the role of the Parliamentary Criminal Justice Committee and, ultimately, this Parliament, not that of the Attorney-General's judicial review, presumably to be presided over by a Government-friendly retired judge. The monitoring of police reform must be handled by the Parliamentary Criminal Justice Committee as per the Criminal Justice Act, and by the Police Commissioner under his legislation, not by the proposed Bingham implementation committee.

I must ask the question: what statutory right does the Government have to appoint a body to oversee the implementation of the Bingham inquiry report, in light of the statutory obligations that already exist for the Criminal Justice Commission and the Police Commissioner to do so? We have already seen misuse of the Bingham report by way of recommendation 45. Any clear reading of that recommendation and that complete section of the report does not support the Government's decision to spill the entire senior management of the Police Service with the exception of the Commissioner. In the public domain, we have already seen considerable dissent in that

some members of the Bingham committee of inquiry disagree with the interpretation that has been put forward publicly by Sir Max Bingham and by the Minister for Police.

The Government wants the Commissioner out, too. It is too embarrassed to do that directly, because it got caught out in its sloppy attempt when a certain document came to light earlier this year. Two weeks ago the Government attempted to do so via selective leaks. Now it is trying to do it via the back door. It will not reappoint many of the service's key management, and that will ultimately force out the Commissioner. It will be Whitrod all over again. The Government will put into place a dirty deal to dismiss a number of assistant commissioners by stealth and, in the process, will totally destabilise the Police Service and derail the Fitzgerald reform process. The Police Service and the Fitzgerald reform process do not need this. They are still far too fragile.

The service has many new, good, well-educated officers and recruits, but most will not stay if the service slips back into the old ways or is embroiled in turmoil and insecurity. Officers will not stay if prospective promotions result in a lack of security of tenure should they rise to the level of superintendent or higher. Officers certainly will not stay if a Government-initiated failure of the Fitzgerald reform process leads where it must lead, that is, to corruption raising its ugly head again.

Time expired.

**Mr CARROLL** (Mansfield) (6.15 p.m.): The Opposition holds the view that the CJC is above accountability, that it should be protected from legitimate public scrutiny. It believes that the CJC should be able to hide from public questioning and rigorous debate over its powers and conduct. In that respect, the Opposition is alone. There is considerable and justifiable public concern about the CJC and the potential for misuse of its powers. Why should the CJC enjoy such an unprecedented and unaccountable position?

Perhaps this debate is driven out of the Labor Party's not unjustifiable fear that the Davies matter will be reopened to thorough investigation and public scrutiny. There is not a conscionable reason why the CJC should be any different from any of the other bodies which it seeks—and not without some considerable measure of zealotry—to make accountable. What has it to fear from the openness that we all accept as part of the Fitzgerald reform process and, indeed, the openness that the community expects from all arms of public administration?

Legitimate democratic process dictates that all publicly funded bodies should be subject to independent and unbiased review. That is a basic tenet of the Fitzgerald recommendations to which Mr Beattie and others opposite often refer selectively. The Fitzgerald recommendation that the PCJC be created to oversee the Criminal Justice Commission does not in any way preclude additional and intensive public review of it from time to time. Vigorous and independent review of the CJC should be supported to balance the exceptional powers possessed by the CJC and particularly to assess whether those powers are appropriate and are being exercised appropriately.

The question at the heart of this debate is: who ensures that the watchdog effectively does the job for which it was established and no more? The six years of Labor Government in Queensland saw too many public servants assuming personal control of arms of Government as their own fiefdoms and pursuing objectives which might appear altruistic but which really derail the Government instrumentality as they are outside its charter. It seems equally extraordinary that Mr Beattie, himself a former PCJC Chairman, considers that it should be solely the province of the PCJC to monitor the Criminal Justice Commission. He of all people should understand the impotence of the PCJC after his experience of having report after report shunned and ignored by his nemesis, the now perpetually absent member for Logan.

The role of the PCJC should not be diminished and no-one on this side of the House has suggested that it should be, despite attempts by members opposite to undermine and smear the PCJC's role. Last week, Opposition committee members vandalised the integrity of the PCJC through allegations that the committee is acting politically by seeking to review the bugging powers of the CJC. Queenslanders were astounded by that sabotage, and that is good enough reason for an independent review of the CJC, one that is entirely divorced from the political process. Review and, indeed, refocussing of a body such as the CJC on its core responsibilities can only be healthy and ultimately serve to reinvigorate the organisation and the pursuit of criminal justice in this State. So, too, its efficiency and effectiveness, both in terms of administration and meeting the terms of its original charter, should be openly evaluated.

A number of weighty and considered questions have arisen from the public debate

over the CJC, as have a number of expressions of concern from significant quarters about its actions. The President of the Australian Council for Civil Liberties, Terry O'Gorman, recently raised concerns about the use of CJC powers for investigations other than the "most serious crimes", saying that the ordinary Queenslanders has every right to be outraged at the way the CJC uses its powers. He also questioned the appropriateness of joint CJC and Police Service operations which effectively blur the lines between the role of watchdog and that of the Police Service—the watched. The closeness of the CJC and the QPS on major crime investigations needs closer examination if the integrity of the CJC is to remain unquestioned. This matter should be rightly taken up by an independent review.

The Senate inquiry into unresolved whistleblower cases presents a case in point. The then CJC Chairman, Rob O'Regan, indicated at the time that the CJC might not cooperate with the Senate inquiry and attacked the standing of the Senate committee. That all-party Senate committee found that the CJC's performance of its duty in relation to investigating whistleblower cases was somewhat less than could be expected of the principal investigator of corruption in this State. The CJC should not be treated in any manner less accountable than is any other agency of public administration, nor should the Government shirk from ensuring that accountability.

**Hon. P. J. BRADY** (Kedron) (6.20 p.m.): We debate this motion in the context of the greatest crisis facing the criminal justice system in Queensland since the prelude to the Fitzgerald report. There is no doubt whatsoever that the criminal justice system is under serious attack, firstly by a concerted and devious attack on the Police Commissioner and senior police, and secondly by an attack upon the Criminal Justice Commission.

I refer to the Police Commissioner. As honourable members know, I had the honour of working with him for three years and five months. He was said by Commissioner Fitzgerald to be indispensable to the compilation of the Fitzgerald report. Yet it is obvious that Police Minister Cooper and his staff have embarked upon a campaign to undermine him and force him from office. I make that charge seriously. If they reflect on recent events, members will know that my charge is true. Police Commissioner O'Sullivan has served with great integrity and deserves the support of the people of Queensland and this Parliament. He has made it very clear that

he thinks the interpretation of recommendation 45 in the Bingham report attacks the basis of good police administration.

In relation to that report—it does not serve the Government well to come forward and say that four or five members of that committee are now making findings or interpretations in relation to that matter which mean, according to Sir Max Bingham and Minister Cooper, that all top 60 positions should be advertised. It is obvious from reading the prelude to the recommendation in chapter 6 at page 100 of the report that that was not the intention. The words are very clear. When the report refers to the fact that national advertisements were placed for the last four assistant commissioner vacancies, that occurred when those positions were entirely vacated. It is then suggested that senior management positions such as superintendent and chief superintendent should be similarly dealt with. The Opposition has no problem with that, and neither does the Police Commissioner.

This Government is attempting to remove a Police Commissioner who is a wake-up to his Minister and a wake-up to this Government. The Minister has been exposed by the number of people who have either left his office or have been forced to leave for being incompetent or not capable of carrying out their duties. The last one whom we will presumably see the end of is Matthew Heery. This Minister has been exposed for employing people not up to the task. The commissioner says that this recommendation cannot be accepted. I know whom the people of Queensland will accept if they have to choose between Police Commissioner O'Sullivan, with his entire working history of integrity, and Minister Cooper and a Government which is backing him even though he is in deep trouble.

The Minister and the Government have now called upon Sir Max Bingham to come to their aid. Sir Max has unfortunately but truly been exposed as a person who as CJC chair formed the attitude that he was running an alternative Government and who is now, I am afraid, doing the bidding of the current Government. It is a disgraceful situation. Today's *Courier-Mail* reported that the Attorney-General, who is not speaking in this debate, believes that Mr Peter Connolly might be a suitable person to be appointed to review the CJC. Mr Peter Connolly is a former Liberal member of Parliament who has given an opinion to Mr Cooper in the matter before the Carruthers inquiry. The Opposition rejects his suitability, and I support what the Leader of

the Opposition said this morning in this House on that matter. In the spirit of the Fitzgerald inquiry, a person who does not have the support of all sides of this Parliament should not be appointed to undertake a judicial inquiry in relation to this matter. The Attorney-General should beware—

Time expired.

**Mr HEALY** (Toowoomba North) (6.25 p.m.): To listen to the Leader of the Opposition in this place today is nothing short of a joke. For the first and most difficult three years of the existence of the Criminal Justice Commission, he was one of the very, very few who understood and defended the independent role of the CJC as envisaged by Commissioner Fitzgerald and implemented by Sir Max Bingham. Members opposite criticised him for it. That defence was very necessary, because under the malevolent leadership of the former Premier, the missing member for Logan, that newly formed body was under constant siege from the hooligans on the other side of the Chamber.

The Criminal Justice Commission was undermined constantly, its reports were ignored and its role was distorted deliberately by those members opposite. Despite this, public confidence in the CJC in its first years remained high. It was seen to be independent, and it was. While it made mistakes, they were honest mistakes and few and far between. But in recent years that public confidence has been eroded. It has been eroded because more and more members of the Queensland community have had cause to complain. Countless whistleblowers have raised concerns about how their complaints and indeed they themselves were handled. The former chair of the PCJC—one of Labor's own—has consistently maintained that his matter was inadequately investigated. Civil libertarians have expressed concern about abuse of the CJC's powers. The *Weekend Independent* has campaigned tirelessly for this review. Indeed, the Senate of the Commonwealth of Australia has accused the CJC of deliberately misleading it. Are all of these people simply puppets of this Government? Give us a break!

Against this chorus of concern, the Government has acted quite rightly, quite properly and quite responsibly to address those concerns by announcing that it would hold a properly constituted inquiry. The aim is not to wipe out the CJC, the aim is to simply review its performance in an attempt to bring it back to a proper performance of the role envisaged for it by Commissioner Fitzgerald.

The Leader of the Opposition has made much this morning and over the past few days of the Government's decision to act on a central recommendation of the Queensland Police Service Review Committee to advertise nationally the positions of all senior police when they become vacant. Indeed, he has linked it again today and in this debate with his concern that the Government is "turning back the clock". When is the Leader of the Opposition going to start dealing in the present?

The Leader of the Opposition cannot have it both ways. In this House this very morning, he endorsed the action of his former bete noir, the former Premier, in declaring open the position of the reformist Police Commissioner Noel Newnham at the expiry of his initial contract and insisting it be advertised. The former Premier, who is obviously counting his numbers for a Lazarus-like comeback, said at the time that the position was advertised in line with a recommendation from Commissioner Fitzgerald. The Leader of the Opposition used this defence again this very morning in this place. Minutes later, he is decrying the right of this Government to act on a recommendation in a report from a distinguished committee chaired by Sir Max Bingham, whom Mr Beattie himself again praised today as a man of integrity. The Leader of the Opposition cannot have it both ways. If it was good enough for the previous Government to act on a recommendation in one report, why does the same not apply to this Government? Why can this Government not act in line with a recommendation from an expert group chaired by a man whom Mr Beattie himself nominates as honourable?

Despite the hysterical scaremongering of those opposite, the Government's intention in this matter is plain and simple. It is simply proceeding with the recommendation to advertise nationally all senior positions as they become vacant. There is no suggested purge. There is no spill of positions. There is a simple requirement that as superintendent and chief superintendent jobs become available through promotion or transfer, through resignation or retirement, those positions will now be advertised nationally rather than simply through the *Government Gazette* in Queensland. In the case of contracts, unless otherwise specifically catered for, the positions will be advertised at the expiry of those contracts as and when they fall due. What is wrong with that?

The report of the Queensland Police Service Review Committee has identified serious deficiencies in the management of the

QPS. The Queensland community and the serving men and women of the Queensland Police Service have been aware of those deficiencies for some time. If any of the arrogant members opposite had chosen to listen to the community in relation to this, as with almost everything else, they might still be sitting on the Government benches. Is the Leader of the Opposition seriously suggesting that the positions of the current senior management should not be tested to ensure that we have the best possible talent leading and managing the police in this State? Tell that to the people. Tell that to the hardworking men and women battling with poor morale to meet the needs of those people. This motion is a joke. It is a sad and sorry joke designed purely for cheap political gain.

**Hon. M. J. FOLEY** (Yeronga) (6.30 p.m.): The question before this House is whether the function of reviewing the Criminal Justice Commission should be undertaken by a judicial inquiry or an all-party parliamentary committee. There are at least two powerful reasons why this motion should be agreed to. Firstly, the proposed judicial inquiry amounts to a political use of royal commission powers. The power contemplated by a commission of inquiry headed by a judge or retired judge such as that contemplated in yesterday's statement by the Attorney-General is an extraordinary power which should be brought into operation only when the good administration of justice in a jurisdiction is in peril.

However, on this occasion, the power is being brought into existence in a way which is profoundly politically tainted. It is being brought into existence because the current Attorney-General, who was a complainant before the Criminal Justice Commission, does not like the result that he obtained in respect of the Davies allegations of bribery. So, the Attorney-General is using the power of his current office to bring on a judicial inquiry. It is a very dangerous precedent for any incoming Government to set up a commission of inquiry into the alleged wrongdoings of its predecessors.

The first ground of objection to this review is that it is a political use of royal commission powers. The second ground of objection is that it destroys political consensus. It was genius in the Fitzgerald report that there should be an all-party parliamentary committee, for that is the bedrock upon which consensus in the broader community can be founded, and if we are to combat corruption, it must be done with the support of all sections

of the community. It is therefore appropriate that that difficult task be supported as far as possible with political consensus. But by rebuffing the all-party parliamentary committee and embarking upon a judicial inquiry—one that is politically tainted—the Attorney-General is destroying the political consensus upon which the strength of combating corruption depends. For those two compelling reasons members should support this motion—firstly, because the proposal is a political use of royal commission powers and, secondly, because it destroys the political consensus that should operate.

Let me turn to the role of the Attorney-General. From the speaking list before me, it would seem that the Attorney-General, who is in the Chamber, does not intend to participate in this debate. He is failing to account to the Parliament for his actions. He is willing to float these matters in the media but he is not willing to subject himself to the rigours of parliamentary debate in this Chamber.

The Fitzgerald report contemplated an independent role for the Attorney-General, but this Attorney-General has been missing in action on important matters relating to the independence of the legal system. He was sidelined by his National Party political masters in the ousting of the Criminal Justice Commission from its role as the independent investigator of complaints against police as contemplated in the memorandum of understanding with the Police Union. Secondly, the Attorney-General has been willing to do the bidding of his National Party political masters in looking after their legal costs before the Carruthers inquiry, while failing to inform the public as to his commitments given prior to the election with respect to legal aid. Thirdly, and most disturbingly, he is using the very office of Attorney-General and Minister for Justice to prosecute his own complaint made as an individual citizen prior to the last election in respect of the allegation of bribery. He made his complaint to the properly constituted statutory authority; it deliberated and it gave him a result, one which he is now seeking to overturn.

Time expired.

**Mr HARPER** (Mount Ommaney) (6.35 p.m.): At the outset, let me say that many people have approached me about the excesses of the CJC, and that needs to be kept in mind. I would like to quote from an article in today's *Courier-Mail* containing some comments made by the Attorney-General. The article states—

"Mr Beanland also said the Coalition promised before last year's election to review the CJC and it was now delivering on its promise."

Of course, that promise and that statement have been repeated several times since before the last election. The *Courier-Mail* also states—

"He said the judicial review would be conducted by a retired Supreme Court judge and it would be more appropriate for it to begin after the Carruthers inquiry had handed down its findings."

Members opposite do not seem to have read that passage. So often we hear them stating that we should use retired Supreme Court judges for these reviews, yet for some reason they are anxious about this review. Why should we not have an inquiry? Why is the CJC above that? Even the Egg Board was investigated by an inquiry, so why should there not be an inquiry into the CJC? I think we should refresh the memories of those opposite and others who have commented on this review.

I will run through a list of points that have been raised about the performance of the CJC. There was the foxtail palm inquiry, the Ainsworth and poker machine inquiry—and that ended up in court—the Ken Davies allegation regarding bribery, the bikie car dealer who eventually fled to the USA and the matter of a public servant supposedly using hydroponic equipment. As a result of the inquiry into that last matter, the family involved was totally destroyed. The family split up; the family home was sold. Do honourable members remember what happened? Those people were later cleared of that matter. Because of that inquiry, the lives of those people were wrecked. There was also an Ipswich cab charge inquiry. The excesses of resources used on that matter makes one wonder about the sensitivity of the CJC and its responsible use of resources. I repeat again, why should there not be a review of the CJC? Why should it be above that? They are quite legitimate questions.

I would also like to quote from a *Courier-Mail* editorial, and I acknowledge that that newspaper is not always the friend of this side of the House. It is worth noting that the *Courier-Mail* asks the same question. The editorial, headed, "The CJC: Time for a review", states—

"This leads to the third, broader question of the CJC's coercive powers. Like so many royal commissioners in the last decade and a half, Fitzgerald said

these were needed because traditional policing methods failed. But the question remains as to whether our super-sleuths are value for money. The CJC costs Queenslanders more than \$20 million a year and does much good work in its corruption prevention and research divisions. But in terms of chasing big-time crooks, the report card is wanting. Apart from some drugs work—which could have been done by the police—and a botched attempt to crack a car racket, the most notable acts of the CJC have been when they were chasing politicians or pursuing minor officials for petty 'offences' such as accepting a loaf of bread from a baker or borrowing a few dollars from petty cash. Too often, its coercive powers are used to trample on civil rights as they search, seize, bug and brow-beat. All too often, these powers are used to investigate alleged offences which used to be, and should be, the province of the police. It has to be asked whether a body with the primary responsibility to monitor police conduct should work so closely with the police service."

The article continues—

"Fifth, Attorney-General Denver Beanland's planned review deserves consideration."

Those words from the *Courier-Mail* are well worth noting.

I will conclude by noting the hypocrisy of the ALP when it mentioned Peter Connolly. I recall that Lew Wyvill once stood—admittedly, many years ago—as an ALP candidate.

**Mr Nunn:** Did he?

**Mr HARPER:** Perhaps the member opposite should research some of his own party records. I do not remember the coalition criticising Mr Wyvill for that during his term as Deputy Chairman of the CJC. I am sure Mr Wyvill fulfilled that role quite adequately, yet the Labor Party drags up the fact that, from 1957 to 1960, Peter Connolly was a member of this House. That was 36 years ago. Mr Connolly left the Liberal Party and went on to become a Queensland judge. What hypocrisy we have heard from those opposite, but it is nothing less than we are used to.

Time expired.

**Mr WELFORD** (Everton) (6.40 p.m.): Let there be no uncertainty about the agenda that this Government is running in this exercise. Let there be absolutely no uncertainty in the minds of Queenslanders as to what this Government is proposing to do. Members of

the Government are proposing to delegate to themselves the same authority, the same influence over the Police Service, the same influence over what is supposed to be an independent commission and the same influence over police powers as that exercised by the Bjelke-Petersen Government in the 1980s. They are trying to turn back the clock to the time of the Special Branch—a time when ordinary Queenslanders truly did not have any legal or civil rights. At least in respect of the CJC, the CJC is an independent body—it does not act at the direction of this Government. When it exercises its powers, it does so as an independent authority under a statute of law and is accountable to the law and the courts—not like the Police Service and the Special Branch, which the former National Party Government ran in the 1980s. That is the central distinction between what the CJC does and what this mob opposite were prepared to countenance when they were in office in the eighties and what they are proposing to turn the clock back to now.

This nonsense about an election promise for a judicial inquiry into the CJC is nothing more than a thinly veiled excuse to mount an attack on the CJC's independence. Government members cannot tolerate independent authorities. Look at what they did to the Local Government Commissioner and the independent Wet Tropics Management Authority. Look at what they are doing to the independent CJC. They cannot tolerate the scrutiny of independent bodies, because they want to run the place by Executive fiat. They want to run the place by using a Police Service under their direction and control. They want to displace the executive of the Police Service so that they can appoint their own flunkies who can go around the backyards and bedrooms of people of this State for their own benefit and call up the private and personal files of senior executives of the Police Service so that they can line them up for dismissal. They even get various other people who are on their payroll to say what they want to say so that they can get rid of senior executive officers.

The separation of powers has never meant anything to the National Party. It never meant anything to it in the 1980s and it does not mean anything more to it now. It wants to get direct influence over the Police Service. It wants to set aside the independent scrutiny and supervision by the CJC of the Police Service and itself by supplanting it with the direct Executive authority that it is attempting to draw from people whom it is now paying to do its bidding—people such as Sir Max Bingham. The reality was that there was only

one period when the CJC was ever wayward; that was while Sir Max Bingham was in charge of it. That was when the CJC did not take account of such basic principles as natural justice. That was when Sir Max Bingham gave a reference for his mate the then Police Commissioner, Mr Newnham, at the very time that Commissioner Newnham was subject to inquiry by an independent agency of the CJC.

**Mr Braddy** interjected.

**Mr SPEAKER:** Order! The member for Kedron!

**Mr WELFORD:** This is the man whose conflict of interest is so much a matter of record that the Government now calls on him as some sort of authority for its proposal that it should be able to displace senior executives of the Police Service.

**Mr Braddy** interjected.

**Mr SPEAKER:** Order! I warn the honourable member for Kedron under Standing Order 123A.

**Mr WELFORD:** Government members should not think that the Queensland people are going to fall for this nonsense that one can draw any false appeal to authority from Sir Max Bingham. He was discredited long ago. The reality is that there is only one reason that he is now doing this Government's bidding. This Government is paying him to be on the Corrective Services Commission. It paid him to conduct an inquiry for which the Government knows the CJC should have been responsible. Now it is paying him to implement his own recommendations, on his interpretation, which the CJC has a specific statutory function to perform. In every move the Government has made it has set out to undermine the credibility and responsibilities of the CJC. It has acted against the spirit of the very legislation for which it claimed much credit for introducing, namely, the Criminal Justice Act, because it does not believe in independent umpires.

The inquiry into listening devices set up by Mr Lester and his mates on the stacked parliamentary committee is just that—a total stunt, again designed to be part of this orchestrated campaign. If it was the Police Service or the Special Branch undertaking the inquiry into listening devices, Queenslanders would have a lot to worry about. But they have an independent authority which deserves protection.

Time expired.

**Ms WARWICK** (Barron River) (6.45 p.m.): I rise to condemn the motion moved by the Leader of the Opposition. Why is it that he wants the CJC to be treated like a

sacred cow? What is it about the CJC which should exempt it from a judicial review? Why should it not be exposed to the accountability provisions which apply to other bodies? I find it curious that the Leader of the Opposition wants special treatment for the CJC. If we were to turn back the clock to 1989—the then Liberal Party Leader, Angus Innes, wanted to make the CJC subject to a five-year sunset clause after which it would have been reviewed. It is a pity that this proposal was rejected by the Labor Party and the National Party at that time. If it had gone ahead, we would not be experiencing the outcry from the Opposition Leader. He is making such a fuss about nothing. It would now not be such a political issue.

I support the concept of a judicial review rather than one carried out by the PCJC. It would be unwise for the PCJC to review the CJC. These two groups are interwoven. The PCJC is part of the fabric of the CJC, and it would be very unfair to expect members of the PCJC to review part of its own entity. I make no criticism of the members of the PCJC. In fact, I am totally committed to the concept of parliamentary committees. I am of the opinion that many of those committees are now undervalued by many people both within and outside Parliament. However, it would be grossly unfair to expect members of the PCJC to review the CJC. It would be a case of Caesar judging Caesar.

I take this opportunity to quote from today's *Courier-Mail* editorial, which states—

". . . the relationship between the CJC and its parliamentary oversight committee should be examined. In NSW, the ICAC parliamentary committee has no power to monitor operations. This is proper: otherwise, as ICAC chairman Barry O'Keefe has pointed out, conflict is inevitable."

The CJC has incredible powers and enormous responsibilities, so we owe it to the people of Queensland to ensure that we have an independent review. We must guarantee public confidence, so a judicial review is the correct path to tread. We are talking about an entity which is possibly the major criminal justice body in this State. We, as a Government, would be extremely remiss if we did not ensure that the highest possible standards were met in reviewing the CJC.

What are Labor's motives in raising this issue? I suspect that the principal motive is to direct public attention away from its six years of non-achievement while in Government. I find it ironic that the matter has been raised

only a week before we are to bring down our Budget. Why does the Labor Party not want a judicial review? Is it scared of the outcome? Will it perhaps expose Labor's own failings, particularly in relation to supervision of the activities of the CJC? Many of the complaints raised by citizens were made during Labor's time in office. People are entitled to ask why the Government failed to insist upon the highest possible standards.

The Leader of the Opposition talks about an orchestrated campaign. I challenge him to provide some evidence of this. Let us not rely solely on rumour or innuendo. The raising of this issue probably has as much to do with the performance of the Deputy Leader of the Opposition while acting as Opposition Leader as it has to do with Mr Beattie's concerns for the CJC. Is the Opposition Leader concerned that, in his absence, his deputy captured the limelight? Is this unnecessary outrage a cynical grab to regain lost ground? Does the Opposition Leader believe that if he makes himself the champion of the CJC his deputy's backers and supporters will find it more difficult to dispose of him?

This motion is a complete sham. It is a transparent attempt by the Opposition Leader to appear to be doing something. It is as hollow as his rhetoric and as shallow as his commitment to an independent CJC. How can having a judicial review conducted by an independent judge be interpreted as holding a gun to the head of the CJC? What a fanciful notion! Has the Opposition Leader's former association with the CJC—as the first chairman of the PCJC—blinkered his judgment to the extent that he is now unprepared to acknowledge that the CJC may not be—

Time expired.

**Mr SCHWARTEN** (Rockhampton) (6.50 p.m.): In reply to the comments made by the speaker who preceded me in this debate—yes, the Opposition does regard what the Government is doing tonight as a sham. That is the sort of sham that we got used to over the past 20-odd years during which we watched tory Governments in this State continue to tear down democratic processes, continue to undermine the Police Service and continue to undermine any form of accountability. The pathetic speakers that the Government put up to speak today in this debate are evidence of that. The Attorney is skulking around the other side of the Chamber, hiding like a spineless jellyfish in a sea of ignorance.

The bottom line of this judicial review is that it is anything but a judicial review,

because every time the CJC makes a decision it is open to a judicial review. Other speakers have asked whether the CJC is above accountability. Accountability is the reason that a committee of the Parliament—which reports to this Parliament and contains members who are elected by the people of Queensland—was chosen as the mechanism to oversee the business of the CJC. If members opposite are not happy about Mr Lester chairing that committee—and I know that he was the one who said in 1989 that the Fitzgerald inquiry could go to buggery—that is their problem. The fact is that a committee of this Parliament is charged with that responsibility. To seek to have a tory ex-judge oversee the whole business shows how fair dinkum the members opposite are about the job!

Speaking of tories, I turn now to Sir Max Bingham and a statement that he made in relation to vacancies. If he is such a great wordsmith, he should look in the dictionary to see what the word "vacancies" means. The definition states "devoid of occupancy". In this case he is devoid of brains, but he is not devoid of loyalty to his old mates in the National Party and the Liberal Party. Let us consider the time when Sir Max Bingham started off the CJC in this State. What a shambles it was! Let us consider its first inquiry when he dragged people from interstate and named them in a disgraceful report. That case was taken to the High Court of Australia and he got done seven-nil. Not even an undergraduate from the worst law school in the world would get done like that. If that is the level of his ability, it is no wonder he appointed himself as a QC when he was in Tasmania. However, he has enough ability for the lot opposite, and he is out doing their bidding as we speak.

Do honourable members remember the horse Bluebell mentioned in the report of the inquiry into SP bookmaking? Those involved had as much knowledge of SP bookmaking as a snake has of hips. The monstrous story that they put up about Bluebell showed that they had absolutely no idea of what SP bookmaking was about. Another report was on prostitution. They said that there was no prostitution in Rockhampton, because they had looked in the telephone books and no prostitutes were listed. I returned to Rocky and had a look at the telephone book. There on page 239—I remember it well—were lists and lists of names of prostitutes. Under Bingham, the CJC could not even look up the Rockhampton telephone book. For God's sake!

Do honourable members remember Operation Trident, that little business of coppers pinching cars and then selling them again? Who was the Chair of the CJC at that time? It was none other than Sir Max, the self-appointed QC. Yet he has the gall to say—and tonight members opposite have had the gall to say to the Parliament—that the CJC ran well under his chairmanship. I cannot think of a worse time during the operation of the CJC. I have said it before and I will say it again: there is no place in this State for a CJC chairman who is a former politician. People such as that forget that they have ever been politicians and continue to act in the same vein. He was making statement after statement on the record attacking the former Government.

**An Opposition member:** Telling us who to endorse.

**Mr SCHWARTEN:** He was telling the Labor Party whom it should endorse and whom it should not. Members opposite would well remember the travel rorts matter, in which Mr Cooper had to stand down from his position.

**A Government member:** And some of yours.

**Mr SCHWARTEN:** The honourable member had plenty to say about it then. As far as I recall, he was not too keen on the CJC then either. So the Government should not say that when we were in Government we were the only ones with a few things to say about Max's mob of incompetents. I notice that some of those people have gone on to other places and they are still leaking.

The judicial review is nothing more than a return to the good old days of the National Party.

Time expired.

**Question—**That the motion be agreed to—put; and the House divided—

**AYES, 42—**Ardill, Barton, Beattie, Bird, Bligh, Braddy, Bredhauer, Briskey, Campbell, D'Arcy, De Lacy, Dollin, Edmond, Elder, Foley, Gibbs, Goss W. K., Hamill, Hayward, Hollis, McElligott, McGrady, Mackenroth, Milliner, Mulherin, Nunn, Nuttall, Palaszczuk, Pearce, Purcell, Roberts, Robertson, Rose, Schwarten, Smith, Spence, Sullivan J. H., Welford, Wells, Woodgate *Tellers:* Livingstone, Sullivan T. B.

**NOES, 43—**Baumann, Beanland, Borbidge, Connor, Cooper, Cunningham, Davidson, Elliott, FitzGerald, Gamin, Gilmore, Goss J. N., Grice, Harper, Healy, Hegarty, Hobbs, Horan, Johnson, Laming, Lester, Lingard, Littleproud, McCauley, Malone, Mitchell, Perrett, Quinn, Rowell, Santoro, Sheldon, Simpson, Slack, Stephan, Stoneman, Tanti, Veivers, Warwick,

Watson, Wilson, Woolmer *Tellers*: Springborg, Carroll

Pair: Fouras, Radke.

Resolved in the **negative**.

### ADJOURNMENT

**Mr FITZGERALD** (Lockyer—Leader of Government Business) (7 p.m.): I move—

"That the House do now adjourn."

### Transport

**Mr ARDILL** (Archerfield) (7.01 p.m.): Over the last 50 years, transport has been the poor relation of funding by a series and range of Governments in Australia. There have been notable improvements carried out to a number of components of our transport system, mainly highways out of the capital cities, some freeways and the roads of the national capital. In that time, the whole world has become mobile and automobiles have become available to almost all citizens in at least the middle years of their life span. However, roads have not been provided to accommodate demand, either in quantity or in the provision of safety features.

By world standards, our railways have been shamefully neglected and, in recent times, destroyed. As was pointed out by the late Russ Hinze, when discussing the Taror report while he was the "Colossus of Roads", we have failed dismally to provide funds for road maintenance. Governments have concentrated on visible or glamour projects at the expense of providing the necessary infrastructure at the level of local roads, railways and public transport and an essential 10-year program of "decade maintenance".

However, what concerns me tonight is that south-east Queensland, with its huge population explosion, is about to suffer the problems being experienced already in England. That is the problem of local roads. Highways are essential to serve our far-flung State regions, and should not suffer. However, the present program of squandering large sums on the Pacific Highway and other projects, which should be solved by public transport and traffic engineering, at the expense of local roads, must be reversed. The two-lane winding roads, which are inadequate in Britain, have exact parallels here. Those roads, which were adequate 50 years ago, will bog down under the load of vehicles within the next few years. Competent traffic engineers acknowledge that.

Road planning and town planning must be integrated to prevent subdivisions spreading across the landscape. Roads leading to recreation areas must be upgraded above what was suitable 50 years ago when there were few cars, and dirt roads to discourage use. Two-lane roads must be supplemented by overtaking lanes at regular intervals and by lay-bys to allow drivers to pull over to admire the view or to allow faster drivers to pass. Corners should be realigned, cross-connections between roads provided and adequately signed to reduce the distances to be travelled. More alternatives should be provided to reduce the existing pressure on roads to well-known beauty spots and recreation areas throughout the Moreton region and even further afield.

Overpasses must be planned at many of our overused intersections, not to the extent they are used in the USA but judiciously used at numerous locations that I could mention. An overpass can be more effective than two extra traffic lanes. Cut-and-cover roads are now extensively used in Europe and should be used in our cities. My recent report to Parliament makes some recommendations which should be looked at urgently. I table those recommendations and move that they be incorporated in *Hansard*.

Leave granted.

Recommendations:

- (1) We must look at our entire road system and plan for widening of some roads and providing better cross connections.
- (2) Overtaking lanes must be provided on secondary roads as well as on our highways.
- (3) Speeds must be freed up where it is safe to do so and motorists should not be booked for travelling at safe speed on major roads.
- (4) Action must be taken against road hogs who travel in the wrong lane or who fail to make way for overtaking traffic.
- (5) More use must be made of laybys to enable drivers to pull over at scenic locations or to allow following traffic to pass.
- (6) Speed in residential streets must be reduced from the present 60kph to 50kph in line with all the civilised world except Australia and New Zealand (as our accident rates clearly indicate).
- (7) Where urban arterial speeds can be safely increased this should be done as it is in most other countries including USA and UK and is demonstrated on the A roads when only one side of a road is adjacent to the built up area.
- (8) Electronic traffic controls must be extended to all Motorways to provide information and to adjust speed limits as is done in Europe and the United Kingdom.

(9) Speed limits should be variable depending on weather and visibility conditions as is the case in Belgium, the Netherlands and Germany where Speed limit signs indicate that this is the case.

(10) Public Transport must be available where appropriate such as servicing carparks and recreation areas.

### **Personal Explanation, Transtate; Local Government Amalgamations**

**Hon. D. E. McCAULEY** (Callide—Minister for Local Government and Planning) (7.05 p.m.): Before I speak to the referendums, I wish to make a personal explanation. On Tuesday, 4 June, my senior policy adviser, my personal secretary and I attended a lunch at Samford hosted by Heilbronn and Partners, consulting surveyors and planners. At the lunch were a number of people, including Mr Peter Marshall of Transtate.

At the time I was unaware of Mr Marshall's position with Transtate and believed that he was there in his capacity as President of the Urban Development Institute of Australia. Indeed, the business card given by Mr Marshall to my staff lists only his position with the UDIA.

A facsimile from Heilbronn and Partners which listed the invited guests for that lunch has come to light. That was received in my office on Tuesday, 14 May and Mr Marshall's name is included, as was his company, Transtate. I think I probably glanced through this list, but I do not remember it. In a statement to the House in July, I said I did not have lunch with Transtate. If any members believe I have misled them, then I apologise. I obviously did have lunch with a group which clearly included Mr Peter Marshall, and I did not seek to intentionally mislead the House on this matter.

I am pleased to report in detail to this House on the honouring of one of the most significant pre-election promises made by the coalition. The Local Government Amendment Act allowed eligible voters in seven local government areas to petition State Parliament for a referendum on deamalgamation and, in the cases of Cairns, Ipswich and the Gold Coast, to have a say as to whether council should return to the polls in 1997.

The purpose of this legislation was to allow people to have a say on their own local government—a say which was denied to them by the previous State Labor Government. Petitions were to be received by my office, signed by 10 per cent of eligible voters, by

5 p.m. on 10 May. Three valid petitions were received from Burnett Shire, Gold Coast City and Warwick Shire.

It was always an overriding condition that in order for a deamalgamation to occur, that is, for the council boundaries to revert to how they were before amalgamation, a majority vote would be required in each of the former council areas. A postal ballot was used to conduct the referendum on 27 July, with 10 days after that date being allowed in which to receive and count votes.

The following is a breakdown of the results. On the Gold Coast, voters in the former Gold Coast area voted 52.5 per cent in favour of deamalgamation to 46.8 per cent against, with 0.7 per cent informal. Voters in the former Albert area voted 39.1 per cent in favour of deamalgamation to 60.3 per cent against, with 0.6 per cent informal. The returned ballot papers represented 77 per cent of eligible voters in the former Gold Coast voting area and 78 per cent in the former Albert voting area.

In relation to the second question, which asked if people wanted to return to the polls in 1997, 71.3 per cent voted in favour with 27.2 per cent against and 1.5 per cent informal.

In Burnett, voters in the former Gooburrum area voted 47.7 per cent in favour of deamalgamation to 50.8 per cent against, with 1.5 per cent informal. Voters in the former Woongarra area voted 19.4 per cent in favour, 78.9 per cent against and 1.6 per cent informal. The returned ballot papers represented 85 per cent of those eligible to vote in the Gooburrum area and 80 per cent from Woongarra.

In Warwick, voters in the former Warwick voting area voted 20.4 per cent in favour of deamalgamation, 79.1 per cent against and 0.5 per cent informal. In the former Allora area, 57.6 per cent voted in favour, 42.3 per cent against and 0.1 per cent informal. In the former Rosenthal area, 38.2 per cent voted for deamalgamation, 61.6 per cent against and 0.2 per cent informal. In the former Glengallan area, 31.5 per cent voted to deamalgamate compared with 68.2 per cent against and 0.3 per cent informal. The returned ballot papers represented 84 per cent of those eligible in the former Warwick area, 90 per cent in the former Allora area, 88 per cent in the former Rosenthal area and 89 per cent in the former Glengallan area. As a result of the three referendums, there will be no deamalgamations.

For the benefit of all members, I think it is fair to say that this process has been a difficult

one. It has not been smooth and it has not been without error. I am happy to admit that, because a process like this has not been trialled in Queensland previously, and I believe the things learned from it should be of benefit to all sides of politics.

The costs involved have not been finalised. However, the department predicts that the costs for the Gold Coast will be approximately \$630,000; for Warwick \$110,000; and for Burnett \$156,000. Those costs include a variety of costs involved in the whole matter. Of course, they were well outside those flagged on the original petition forms. Again, I stress that the process was untried and all reasonable efforts were made to accurately predict the costs. Many one-off costs, which would not normally apply to council elections, were incurred, including explanatory statements, postal ballots and petition checking.

Time expired.

#### **Patient Transit Scheme**

**Hon. T. McGRADY** (Mount Isa) (7.10 p.m.): There are many disadvantages which people who live in the regions and in the remote parts of Queensland have to face. The tyranny of distance has to be experienced before one can really understand the difficulties and the problems which outback people face on a daily basis. We can talk about the extra cost of living as a result of freight charges; we can talk about the difficulties in attracting teachers to teach in remote parts of Queensland; and we can talk about the lack of roads. However, there is no greater problem facing the people of the outback than health services—or rather the lack of them.

For many years the Patient Transit Scheme, for all its faults—and it has many—has served the outback well. For the benefit of members, I will tell the House that this scheme allows people to travel by air from the outback to secure specialist treatment at the nearest centre where a medical specialist is available. Naturally, there are many other conditions attached to this scheme and, while I feel some are harsh, basically it is a good scheme.

In north-west Queensland most people travel direct to Brisbane, but if there is a specialist in Townsville or Cairns the patient is expected to travel to one of these centres. Even with this scheme, there are still financial problems facing patients who have to secure medical treatment far away from home. The

scheme allows \$30 a day, which everybody knows would not cover the real costs associated with living away from home. So besides the health problems which the patient has, he or she also has to suffer financial penalties.

There are rumours circulating within the medical profession that the Government is about to embark on a cost-cutting campaign on this service. There are rumours that air travel will be made harder to obtain and that patients will be expected to travel by bus or rail. Today I give notice that, if those rumours turn out to be correct and if there is any watering down of these benefits and services, I will organise and lead a campaign throughout regional Queensland, and in particular throughout the outback, to fight this Government and to fight against those changes. I would expect people in this place who represent country and regional areas to forget their political affiliations and allegiances and to fight for the health of outback Queenslanders.

To suggest that a patient should travel from Mount Isa, Cloncurry or Burketown to Brisbane by bus, taking up to 27 hours, is ridiculous and unacceptable. I can speak from experience. Because of recent medical problems, I travelled weekly by bus from Mount Isa to Brisbane and back again to fulfil parliamentary commitments. I can tell members that, despite the help and assistance which I received from the captain of the coach and the personnel who work for the bus company, it was an ordeal that I never want to go through again. To suggest that a patient or a mother with a young child travelling to Brisbane for medical treatment should go by bus, taking up to 27 hours, when it is almost impossible to sleep, or suggesting that they go by train which can take many days unless the train makes the right connections, I believe is just too crazy to contemplate. If this Government feels that it is going to use the Patient Transit Scheme to try to save some dollars, I can assure the Minister that all hell will break loose.

I understand that the Patient Transit Scheme is going to be renamed the Patient Transit Assistance Scheme, and that perhaps suggests that—

**Mr Horan:** You don't care what you say. There are no cuts.

**Mr McGRADY:** I am glad to hear that. However, I am not talking only about cuts, I am also talking about trying to improve this service for people.

**Mr Horan:** We are trying to improve it. We are putting a paediatrician out at Mount Isa as well so they won't have to travel.

**Mr McGRADY:** The paediatrician was allocated by the previous Government. The Minister and his office told untruths. The bottom line is that the Patient Transit Scheme is very important to the people of outback Queensland.

Time expired.

### **State Emergency Service, Far-north Queensland**

**Ms WARWICK** (Barron River) (7.15 p.m.): On 24 August I was honoured to be asked to open the State Emergency Service Directors Conference for the far northern region. The purpose of the conference was fivefold: it was to discuss matters of mutual interest and to iron out difficulties; to give members an opportunity to become acquainted with new ideas and policies; to give unit controllers an opportunity to report to their director; to renew friendships and acquaintances; and to take the opportunity to officially recognise the commitment by some members with the awarding of national medals and the presentation of certificates for meritorious service.

I commend to the House the wonderful work which is carried out by the men and the women of the SES. The city of Cairns unit is made up of nine groups covering an area from Ellis Beach in the north to Miriwinni in the south. These groups are situated at Buchans Point, Trinity Beach, Yorkeys Knob, Holloways Beach, Machans Beach, Cairns, Edmonton, Gordonvale and Babinda. In the far northern region there are 13 units and approximately 33 individual groups.

I am pleased to inform the House that the far northern region enjoys a reputation for being innovative and highly trained. This is reflected in the fact that a northern team has continually won the State rescue competition. The far northern region has a complement of five permanent staff, with two extra staff who work on the ATSI emergency services program. The remainder of the SES personnel are volunteers, and I thank them for their generous commitment. These volunteers give up their precious free time to assist others in the community. How often during televised scenes of disasters do we see the distinctive, orange overall-clad people of the SES? We see them searching for lost people, rescuing people who get into all kinds of trouble and

tarping roofs during howling gales. Last year, a group of SES volunteers from the local Kuranda/Mareeba area were instrumental in assisting police when a very unfortunate accident occurred. A young boy fell down the side of the mountain at the Barron Falls Railway Station. Unfortunately, it was a body that they had to retrieve.

The coalition Government is committed to a strong SES presence and will be supporting its many staff—mainly volunteers—to enable them to carry out the very valuable work which they do in our community. I get very annoyed when I hear of the misleading information which the Opposition spreads about the Government's lack of support for the SES. This Government is constantly working to enhance the level of support which already exists. This year, new vehicles have been sent to Cairns—

**Mr T. B. Sullivan:** They did not have radios.

**Ms WARWICK:** Things have changed. This year, new vehicles have gone to Cairns, Kuranda, Malanda, Atherton, Tully and Gordonvale. In my electorate of Barron River, a new headquarters was recently opened by the Emergency Services Minister, Mick Veivers. This building means that local SES personnel in Kuranda will now have a permanent base from which to work and train. I pay tribute to the Kuranda SES leader, Kaye Moule, who will now be able to Reclaim possession of her garage. People like Kaye and her fellow SES volunteers are so committed that they are prepared to allow the use of their private property so that the rest of us can sleep safer at night.

The local controller, Tom Spearman, recently briefed me on the very successful cadet units in Tully and Cairns. These groups of young people also give up their free time to train as future members of the SES. Unfortunately, we hear so much about misguided youth. Therefore, it is refreshing to know that young people are prepared to train so that they can take their places as responsible and important members of their local communities. These young people are very important to the fabric of our society and to the future.

The Minister is very proud of and committed to the cadet units, and he will be supporting the development of more units in the future. In fact, when the Minister was recently in Kuranda he took the opportunity to visit one of these camps just outside Kuranda. He was extremely impressed by the high standards he observed. On this visit he was

accompanied by the Director-General, John Hocken, and the regional coordinator, Syd Churchill.

The last 12 months have seen a number of activations from the Cairns groups for body retrieval, land searches, flood boat operations, storm damage activations, sand bagging tasks, tarping roofs—as I have mentioned—forensic searches and assistance to the QAS, the QFS and the QPS. The Cairns group recently provided welfare equipment to 50 oil spill workers.

Time expired.

### Queensland Police Service

**Mr ROBERTS** (Nudgee) (7.20 p.m.): The Bingham review of the Queensland Police Service has highlighted the need to embrace the concept of community policing. Under the previous Labor Government, the concept of community policing was expanded under programs such as Neighbourhood Watch, Safety House and Adopt-a-Cop. The Community Safety Audit Program was also established along with police beat shopfronts.

The Bingham report has provided impetus to this effective means of pro-active policing by recommending that the Police Commissioner—

". . . allocate funds specifically for appropriately sited beat policing projects."

In June of this year, the Police Service indicated its intention to establish a new police beat project on Brisbane's north side. On a number of occasions, I have publicly indicated my strong support for community policing and, accordingly, wrote to the assistant commissioner responsible for the Brisbane North Region and suggested that the communities surrounding the suburbs of Banyo and Zillmere in my electorate would be ideal locations for a community policing project.

In recent years, police strategy has focused principally on providing quick and effective responses to incidents of crime. In other words, it gave precedence to reactive policing over pro-active policing. The clustering of police stations facilitated the implementation of this approach. Under this system, local police stations were either closed or downgraded to shopfronts operating from 8 a.m. to 4 p.m. Monday to Friday. Operational matters in the cluster were then coordinated from a home station which was open 24 hours a day, seven days a week. The Bingham report revealed that this approach was—

". . . supplemented by random patrols which are designed to exhibit a police presence and are aimed at deterring would-be offenders and engendering a sense of safety in the general community."

There is no doubt that the clustering system did introduce some benefits, including the more effective utilisation of existing resources and personnel and also the provision of 24-hour coverage to areas previously restricted to daylight hours. However, its shortcomings resulted in a limited scope to engage in pro-active policing strategies and the loss of local level knowledge and intelligence about crime in the community. These shortcomings have led to a widespread community concern about the effectiveness of the current policing strategy.

It is relevant to note that the increased presence of police, such as through regular foot patrols, does reduce the fear of crime in the community, particularly in the elderly and women. However, in spite of the objectives of the clustering system, there are many who would agree that its success in reducing the level of crime and allaying community fears has been limited. Indeed, it could be argued that the downgrading of police stations to shopfronts with limited hours, such as occurred at Banyo, combined with a greater reliance on mobile patrols, has led to a general decline in police activity and presence in many neighbourhoods. In turn, this has led to increases in community level crime, such as break and enters, graffiti and other vandalism offences, and a belief that it is not as safe to venture out into the community, particularly after dark.

Many people talk of returning to the good old days of the local police sergeant, and that person's ability to deal with offenders who lived in his district. The local sergeant was seen to be effective because he not only knew the offenders concerned but also their parents, the local school principals, the shopkeepers and church leaders. Many problems were therefore resolved by discussion and consultation at the local level. That valuable source of contact and information has been lessened with the implementation of the clustering system. Clearly, what is needed is a greater emphasis on and a return to community-based policing, with more resources being allocated to crime prevention activities. Properly resourced and coordinated, this approach, in combination with the identified benefits of the clustering system, will provide a significant boost to crime prevention and detection in our communities. However,

crucial to this process is the development of strong links with the local community situated around any community policing projects that are established.

The Banyo Police Station provides a unique opportunity to pursue this approach. The station is ideally placed to service the suburbs of Banyo, Nudgee, Nudgee Beach and parts of Virginia. It has a residence attached to the station buildings and is close to local schools, kindergartens, public transport and the business community. Combined with an effective community consultation process and the maintenance and establishment of Neighbourhood Watch groups, a community policing project at Banyo Police Station would be well placed to engage in pro-active crime prevention activities in the surrounding district.

The Banyo Police Station is currently underutilised and underresourced. In August this year, I again reiterated my request to the Police Service that this station be used for a community policing project. I will continue to argue this case on behalf of my constituents as I firmly believe that such projects make a significant contribution to reducing the level of crime in the community.

The 1989 Fitzgerald report noted that—

". . . most crimes are solved not by criminal investigations but because someone apprehends the offender immediately, or someone, usually a victim, bystander or other citizen, identifies the offender or provides information which permits identification."

This revelation reinforces the need for community policing projects and the case for an effective consultative mechanism between police and the community. The Bingham report outlines the following core principles of community policing—

"developing better links between the police and community members;

requiring police to look beyond an incident or a series of incidents to try to address causal factors; and

individual police patrolling designated areas on foot as opposed to the current practice of vehicle based random patrols."

Time expired.

### **Driver Safety and Education Strategy; Roadcraft, Gympie**

**Mr STEPHAN** (Gympie) (7.25 p.m.): This evening, I wish to speak to the paper titled "Enhancing Driver Management in Queensland". I do so bearing in mind my fairly

close contact with Roadcraft in Gympie. I believe the issue warrants closer examination.

The paper, which has been tabled, documents the development of the proposed Driver Safety and Education Strategy for Queensland. The strategy is designed to act as a blueprint for improving the safety and competence of drivers. It will do so by addressing the ongoing perceptions within the community that more could be done to improve driver behaviour; by better coordinating the activities of all groups involving driver management; and by guaranteeing that the best mix of measures is used to improve the performance of drivers.

Queensland Transport commenced the development of the Driver Safety and Education Strategy in order to address the ongoing perceptions within the community that more could be done to improve the behaviour of drivers and to ensure that the available resources are used cost-effectively to achieve road safety and other transport-related outcomes. The method used in a couple instances targeted community consultation to identify major community concerns and perceptions relating to driver training management, and involved a review of driver performance through the analysis of road crash, traffic offence and driver licensing data.

Under the heading "Effectiveness of current driver management system", the key findings are stated as follows—

"The audit of the current Queensland driver management system revealed that it is robust, featuring many demonstrated cost-effective, best practice measures and approaches. Nevertheless, a comprehensive review of driver management activity suggested that scope exists to optimise the performance of the system. In particular, there is a need to consider new strategies and actions which will bolster current activity and promote an approach based on the continuous improvement of best practice."

This strategy coordinates with Roadcraft in Gympie, which is in the process of expanding. Roadcraft is encouraging and training young people to learn better road skills. Roadcraft has been battling for some time to establish a satellite facility in Brisbane at the Lakeside International Raceway. Roadcraft expertise will be used to establish a parallel program aimed at reducing road trauma amongst Queensland's young road users. The program starts with three-year-olds and, after a diet of road safety each year throughout school life, culminates with a practical student driver

education course. This continuity and reinforcement of messages instils a road safety mentality in our youth and addresses the problem before it occurs.

About 8,000 students go through the centre at Gympie. It is expected that another 14,000 students will use the centre in Brisbane at Lakeside. Gympie Roadcraft has been a success story, and there is no reason why Brisbane's program should not also be a success. Over the past 10 years, the Department of Education has provided Roadcraft with a dedicated resident teacher to coordinate the youth program. Roadcraft has been a success story. Many young people are alive today because they took the opportunity offered by this type of program. They have learned that motor vehicles are driven by enormous forces, similar to those propelling missiles.

It is a pity that funding is a little tight at present. Over a number of years, approaches have been made to the Government to allocate money to this program. That can and should be done. Such a program would be very successful right throughout Queensland.

Time expired.

Motion agreed to.

The House adjourned at 7.30 p.m.